TRADE AND INDUSTRY

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Free trade agreements between the enlarged Community and certain EFTA countries

As already announced, agreements were signed in Brussels on July 22 between the enlarged EEC and the following EFTA countries—Austria, Switzerland, Sweden, Portugal and Iceland. Negotiations for the conclusion of a similar agreement with Finland had been completed by that date but this agreement was only initialled since the Finnish Government had resigned a few days earlier. It is expected that the Finnish agreement will be signed in the autumn following the formation of the majority Government that the President of Finland has said he considers necessary. There are 12 agreements in all, one with each of the countries concerned dealing with trade in goods covered by the Treaty of Rome, and another six covering the coal and steel products falling under the Treaty of Paris. Most of the main provisions of each set of agreements are common to all the texts but there are a number of special provisions in respect of each individual country. The texts themselves will be published as soon as possible in the Miscellaneous Series of Command Papers.

Tariffs on industrial goods

The agreements cover in principle all industrial goods, defined as those falling in Chapters 25-99 of the Brussels Nomenclature. A small number of products falling under BN 35.02, 45.01, 54.01 and 57.01 which are regarded as agricultural even though falling under an industrial chapter heading, are however excluded. For the great majority of industrial products the existing members of the Community and Ireland on the one hand and the EFTA countries concerned on the other will eliminate tariffs according to the following timetable, the base rate being in principle the tariff effectively applied on January 1, 1972.

TABLE 1

Date	% of original tariff
1.4.73	80%
1.1.74	60%
1.1.75	40%
1.1.76	20%
1.7.77	0

(Note: Some tariff moves by the existing members of the Community and Austria will be made earlier as a result of the Austrian Interim Agreement due to enter into force on 1.10.72)

During this transitional period existing free trade in these goods between the UK, Norway and Denmark and each of the other EFTA countries will, subject to certain special arrangements described below, be maintained in its entirety.

On certain products which are regarded by the Community as particularly sensitive, the existing members of Community and Ireland will however eliminate tariffs against some of the EFTA countries at a slower rate. Some of the EFTA countries will apply similar arrangements to imports from the Community; these will be described in a subsequent paragraph. For sensitive products, other than paper, both the existing members of the Community and Ireland will apply the following timetable;

TABLE 2

Date	% of original tariff
1.4.73	95%
1.1.74	90%
1.1.75	85%
1.1.76	75%
1.7.77	60%
1.1.78	40% (with a maximum level of 3% except for 78.01 A II and 79.01 A)
1.1.79	20%
1.1.80	0

(See Note to Table 1 regarding Austria)

Appendix 1 lists in full the products from each of the countries concerned to which this timetable applies.

For paper products, defined as goods falling within Chapters 48 and 49 of the CET with the exception of 48.09, the following timetable of tariff reductions by the existing members of the Community will apply in respect of all the countries concerned:

TABLE 3

Date	Tariff on CET items 48.01.CII, 48.01 E, 48.07 B, 48.13 and 48.15 B	% of CET on other products
1.4.73	11.5%	95%
1.1.74	11%	90%
1.1.75	10.5%	85%
1.1.76	10%	80%
1.7.77	8%	65%
1.1.79	6%	50%
1.1.80	6%	50%
1.1.81	4%	35%
1.1.82	4%	35%
1.1.83	2%	20%
1.1.84	0	0

(Note: A different timetable of tariff reductions on paper products will be followed by Ireland)

Except in the case of paper, existing free trade in these sensitive products between the UK, Norway and Denmark and each of the other EFTA countries will again be maintained, subject to certain special arrangements described below. On paper the acceding countries will make the following tariff moves:

TABLE 4

Date	Tariff on CET items 48.01.CII, 48.01 E, 48.07 B, 48.13 and 48.15 B	% of CET on other products
1.4.73	0	0
1.1.74	3%	25%
1.1.75	4.5%	37.5%
1.1.76	6%	50%
1.7.77	8%	65%

Thereafter the tariffs of the acceding countries will return to zero on the same timetable as that applicable to the other members of the enlarged Community. The effect of this temporary tariff increase by the acceding countries will however be mitigated by their opening duty free quotas in respect of imports from Sweden, Finland, Austria and Switzerland. The precise levels and coverage of these quotas will not be settled until 1973 but it has been agreed that so far as the UK is concerned they should cover the bulk of the trade in a reference period which will be related to the average of imports in 1968/71. The way in which the quotas will be administered has also to be settled and will be the subject of talks with the Trade in the near future.

Paper products and products listed in Appendix 1 (except lead falling under CET heading 78.01 AII) as well as a number of products from Portugal listed in Appendix 2 are also subject in principle to so-called indicative ceilings, the object of which is to prevent disruption of Community markets by a too rapid increase in imports. Additionally, imports of a number of other less sensitive products will be closely monitored so that, should it prove necessary, some similar arrangements can quickly be made in respect of these also. Imports up to the level of the ceiling will enter the Community at the reduced rate of tariff appropriate to the product in question at the material date. If, however, imports exceed the ceiling the Commission or any member country can ask as of right for the goods in question to be made liable for the remainder of the year to the full rather than the reducing rate of CET. In such circumstances Ireland would apply her appropriate mfn tariff while the UK, Norway and Denmark would apply a gradually increasing proportion of the CET, as follows:

TABLE 5

Date	% of CET applicable
1973	0%
1974	40%
1975	60%
1976	80%
1.7.77 et seq	100%

Not all the products in question will in practice be subject to ceilings in 1973 but ceilings for those which are not can at the request of any member country be imposed in subsequent years. The initial (1973) level of ceiling is the average level of imports into the enlarged Community in the years 1968/71 plus a percentage which varies from product to product but which in most cases falls between 5 per cent and 15 per cent. In subsequent years the level of each ceiling is in principle increased by 5 per cent (3 per cent in the case of cork products) but the Community may in any year after consultation with the country or countries concerned, decide not to apply this growth factor. Ceilings may be kept in force or imposed for the first time on any product until such time as tariff demobilisation on that product is complete. In the case of the Portuguese goods listed in Appendix 2, however, the machinery remains in force until the end of 1979 even though the Community's tariff against these will have been eliminated two and a half years earlier.

As mentioned earlier, some of the EFTA countries will eliminate tariffs more slowly on certain products which are sensitive so far as the country in question is concerned. They may also in some cases impose indicative ceilings of their own. In many cases these arrangements are simply the mirror image of the Community's own treatment of imports of these sensitive products and it seems unlikely that their effect will be of any great significance so far as the United Kingdom is concerned. Switzerland will eliminate tariffs against the existing members of the Community and Ireland on a few paper products on the timetable of Table 3 and on goods in 44.18 on the timetable of Table 2. On these paper products provision is made for a percentage of the Swiss m.f.n. tariff (the same as the second column of Table 4) to be applied, if necessary, to the acceding countries. Provision is also made for a few indicative ceilings in cases of serious difficulty. Sweden will also follow the timetable of Table 2 for a few products in 73.12, 73.13, 73.15 and 73.18 but there is no provision for any duties to be levied against the acceding countries as a result of this. On some of these products she too can, in exceptional circumstances, apply indicative ceilings. There will be arrangements for Austria which for practical purposes correspond almost exactly to the Community's treatment of imports of sensitive products from that country and Portugal will be allowed to establish an indicative ceiling on a few machine tools in 84.45. Finland will however be allowed to defer tariff reductions on a very much larger range of products. In order to avoid deflection of trade provision is made for duties on a number of these to be levied against the acceding countries but the effect of this will in each case be mitigated by the establishment of duty-free quotas in their favour. Moreover, so far as the United Kingdom is concerned, we shall have the assurance of the Finnish Government that, even if these quotas are exceeded, duties will only in practice be levied if it can be demonstrated both that deflection of trade has occurred and that this has caused damage to Finnish industry.

Special arrangements for Portugal and Iceland

Special arrangements have been made for Portugal which take account of her relatively low level of industrial development. The existing members of the Community and Ireland will reduce their tariffs against Portugal in accordance with the generally applicable timetable for industrial goods (Table 1), except, as has been previously mentioned, on paper, and, in the case of Ireland, on a few other products. Also, the acceding countries will continue to grant duty-free entry to Portuguese goods on virtually the same basis as in EFTA. Portugal on the other hand, while dismantling tariffs in accordance with Table 1 on most goods, will on a number of others be allowed to follow slower timetables which do not lead to the elimination of tariffs until either January 1, 1980 or January 1, 1985. The goods which benefit from these arrangements are broadly speaking those which were in EFTA subject to Annex G and the two timetables applicable to the existing members of the Community and Ireland are as follows.

TABLE 6

	% Tariff reduction	
Date	1980 timetable	1985 timetable
1.4.73	20%	20%
1.1.74	30%	30%
1.1.75	50%	40%
1.1.76	60%	50%
1.7.77	80%	60%
1.1.80	100%	70%
1.1.83	—	80%
1.1.85	—	100%

In regard to the acceding countries Portugal will maintain duty-free entry on goods on which tariffs have already been eliminated in EFTA. On others she will in general continue tariff reductions at the same rate as would have been the case in EFTA, although some have been deferred in order to achieve parity of treatment for all members of the enlarged Community by July 1, 1977 and others have been speeded up in order to reduce to the minimum the number of different timetables. For

(continued on next page)

goods on the slow timetables of Table 6, the following arrangements will apply in respect of the acceding countries:

TABLE 7

	% Tariff reduction	
Date	1980 timetable	1985 timetable
1.4.73	60%	60%
1.1.74	60%	60%
1.1.75	70%	60%
1.7.77	80%	60%
1.1.80	100%	70%
1.1.83	—	80%
1.1.85	—	100%

Special arrangements have also been made under which Portugal may up to December 31, 1979 establish, increase or re-introduce *ad valorem* duties not exceeding 15 per cent (or in special cases 20 per cent) in order to protect new industries. These duties may not however cover more than 7.5 per cent of the value of Portuguese imports from the members of the enlarged Community in 1970. Portugal will also be allowed to impose (or in some cases to retain) quantitative restrictions on motor vehicles and a very few iron and steel products up to the end of 1979 and on some petroleum products up to the end of 1984. In order to achieve a satisfactory balance of mutual advantage in the agreement Portugal has also been granted certain agricultural concessions, the most important of which relate to tomato concentrate, canned fish in 16.04 and wine. There will also be tariff reductions on some fish falling in 03.01, some moluscs in 03.03, pine and conifer seeds, locust beans, some fish liver oils, flours and meals of meat and fish offals, dehydrated vegetables (other than onions), and, in certain months of the year, on new potatoes, fresh tomatoes and grapes and strawberries.

There are also special arrangements for Iceland which take into account both her low level of industrialisation and the importance to her economy of exports of fish and fish products. The existing Community and Ireland will eliminate tariffs on industrial products in accordance with the normal timetable (Table 1) while Iceland will be allowed until January 1, 1980 to do so. The following timetable will apply:

TABLE 8

Base duties	2	4	5	10	12	15	20	25	30	35	40	50	60	65	70	75	80	90	100
1.4.1973	2	4	4	7	8	11	14	18	21	25	30	35	40	45	50	55	55	65	70
1.1.1974	0	3	3	6	7	9	12	15	18	21	24	30	35	40	40	45	50	55	60
1.1.1975	0	3	3	5	6	7	10	13	15	17	20	25	30	30	35	35	40	45	50
1.1.1976	0	2	2	4	5	6	8	10	12	14	16	20	24	25	30	30	30	35	40
1.1.1977	0	2	2	3	4	4	6	7	9	10	12	15	18	20	21	22	25	25	30
1.1.1978	0	0	0	2	2	3	4	5	6	7	8	10	12	13	14	15	16	18	20
1.1.1979	0	0	0	2	2	2	2	2	3	3	4	5	6	6	7	7	8	9	10
1.1.1980	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

The acceding countries have already eliminated their tariffs on industrial goods from Iceland and will maintain this position. Iceland has already made the initial tariff cut shown in the above table and will continue to make further tariff cuts in favour of the acceding countries from 1974 onwards on the same basis as for the existing Community and Ireland. Iceland has also been granted tariff concessions on a number of fish and fish products but these will only become effective if there is a settlement of the fisheries dispute satisfactory to all members of the enlarged Community. Their continued implementation will also depend on the continued implementation of such a settlement.

Manufactured foodstuffs

In addition to the industrial goods in Chapters 25-99 of the Brussels Nomenclature, the agreements cover a wide range of products in Chapters 1-24. In trade terms the most important of these are manufactured foodstuffs, most of which fall within the scope of Community Regulation 1059/69. These processed agricultural products are subject on import into the Community to two charges, a mobile element designed to compensate for the difference between world and Community agricultural raw material prices and a fixed element or duty designed to protect the manufacturing process. In the case of a few products (not included in 1059/69) where the price of the agricultural raw materials incorporated in them is relatively stable or represents an insignificant proportion of the value of the finished product, a single fixed charge is levied and fulfils both purposes. The principle underlying the agreement is that the element of industrial protection should be eliminated over four and a half years on the same timetable as is applicable to the generality of industrial goods (Table 1), existing EFTA free trade being once again maintained. On products subject to both a fixed and mobile element it follows that the fixed element falls to be eliminated while the mobile element will remain. On products subject to a single fixed charge it has been necessary to work out what proportion of the existing charge represents industrial protection and therefore falls to be eliminated and what proportion represents raw material price compensation and therefore remains in force. As regards coverage, the principle has been that the Community's offer should embrace all goods subject to Regulation 1059/69 and that this should be matched by a reciprocal offer on the part of each of the EFTA countries. But there have been a number of additions and a few deletions on either or both sides where this has been considered mutually advantageous or for strategic reasons or in order to achieve a proper balance of mutual advantage. The final package which has emerged is therefore quite complex and includes a number of products other than manufactured foodstuffs. The position is further complicated by the fact that for some products (eg whisky) the detailed arrangements have had to be left over for subsequent negotiation. The arrangements will be set out in more detail in a later article. This will also cover the adjustments that will be required of the UK during the transitional period in order to come into line with the rest of the Community. These will involve phasing in the element of agricultural protection where appropriate and raising or lowering the element of industrial protection depending on whether products are or are not included in the Community's offer and were or were not previously the object of free trade in EFTA.

Origin rules

No change in the existing EFTA origin rules for trade with the non-candidate EFTA countries is envisaged before April 1, 1973. The new origin rules, which come into force on April 1, 1973, are based on those in the Community's existing association and preferential agreements (such as those with the Mediterranean, Yaounde and Arusha countries) and incorporate 'process rules' for specific products similar in principle to those already operated by the United Kingdom under the UNCTAD 'Generalised System of Preferences for Developing Countries' (GSP). (Details of the GSP process rules were given in *Trade and Industry* of October 14, 1971 and in Customs Notice No. 343). These generally require that the process shall

have changed the Brussels Nomenclature tariff heading of imported materials. But there is a list (List A) of additional requirements for a wide range of goods and another (List B) specifying those where the general requirement (that imported materials must change their tariff heading) need not be met subject to other conditions.

The main modifications to the process rules set out in the Trade and Industry article referred to above (and in Customs Notice 343) relate to processed foodstuffs, chemicals of Chapters 28-39, leather, footwear and machinery. There will also be comprehensive rules for the textile sector, much of which was excluded from the UK's GSP offer. The modifications will appear only in the rules applying to the EFTA non-candidate agreements and do *not* affect the GSP or the Community's other existing agreements.

In the **manufactured foodstuffs** sector, the use of third country (including Commonwealth) sugar will be allowed in the production of goods of 17.04, 18.06, 19.02, 19.05 and 22.02 providing it does not exceed 30 per cent of the value of the finished product. Modifications in List A will be made to allow the use of third country durum wheat under 19.03, flint maize under 19.05, pineapple, lime and grapefruit juices under 22.02 and maize and potatoes under 35.05; and also to allow the unrestricted use of third country products of 18.01 to 18.05 under 18.06.

In the **chemical** chapters 28-39 the rules in List A for headings 28.38, 29.35, 29.38, 30.03, 39.02 and 39.07 will be replaced by a 50 per cent rule (as for eg 31.05) and the special rules for 30.04, 32.10, 32.12, 32.13, 34.01, 34.02, and 36.08 deleted. In addition there will be a new rule in List B allowing the use of up to 20 per cent by value of third country materials falling in the same tariff heading as the finished product. The special rules in List A for **leather** of headings 41.02-41.05 will be deleted and a new rule introduced for 41.08 (patent and metallised leathers). Rules will be introduced into List B permitting the retanning of leather of headings 41.02 and 41.05. The special rule for **paper** of heading 48.07 will be deleted.

For **footwear** of 64.01 and 64.04 the rule in Col 3 of List A will be replaced in the new agreements by a rule by which manufacture from assemblies of shoe uppers fixed to inner soles or other lower parts of all materials except metal will not be a qualifying process.

New rules will be introduced in List A for certain other headings; the rule for 70.08 and 70.09 will be that for heading 70.07; the special rules for 68.04-68.06, 70.06, nuclear fuel elements (ex 84.59) and 96.01 will be deleted. The rule for 85.14, 85.15 and 92.11 will be amended in relation to non-originating transistors; in these rules the value of such transistors used must not exceed 3 per cent of the value of the finished product.

In List B there will be new rules for assembled articles of furskin (ex 43.02); for certain unwrought and semi-manufactured silver, gold, and metals of the platinum group (71.05, 71.07, 71.09); for headings 84.16 (calendering machines), ex 84.17 (drying machines for the wood and paper industries), 84.31 (paper finishing machines) and 84.33 (other paper machinery) allowing the use of third country materials or parts falling in the same tariff heading to be used up to 25 per cent of the value of the finished product; and for 87.06 (certain parts of motor vehicles) allowing the use of up to 15 per cent of third country materials falling in that heading.

For the **textile** chapters it is not practicable to give details of all the new rules in this article by reference to the UK's GSP rules as the latter exist only for a small number of headings. In general the new agreement rules will require two substantial processes to be carried out. Provision will be made that where textiles are mixtures (eg cotton/polyester) each component must satisfy the origin rule. However in the case of mixtures of most textiles of Chapters 50-59, and some of Chapter 61, the use of up to 10 per cent by weight of third country materials will not disqualify the goods for preference; in the case of certain elastomeric materials and metallised threads, the weight of the third country materials may be 20 per cent and 30 per cent respectively.

For most made up goods of Chapters 60-62 the addition of up to 10 per cent by weight of third country accessories and trimmings (other than linings and reinforcing materials) will not disqualify the goods. There will be a rule in List B relating to printed fabrics of headings 50.09, 50.10, 51.04, 53.11-53.13, 54.05, 55.07-55.09, and 56.07 under which printing of fabrics accompanied by finishing operations will be a qualifying process provided that the value of third country fabric does not exceed 47.5 per cent of the value of the finished product.

To take account of the particular needs of European industrial production, provisions have been made to allow a certain degree of '*cumulation*': subject to certain conditions, goods which have already qualified under the rules in one party will maintain their 'originating' status when further processed in any other party covered by the six non-candidate agreements.

Goods traded between the EFTA acceding countries and the non-candidate countries will qualify for the *EFTA rates* during the transitional period (ie free entry for most goods except on entry into Portugal and Iceland) if they satisfy the full process requirements *in one or other of the six non-candidate countries or in the area comprising the UK, Denmark and Norway.*

Once qualified, they may undergo further processes in any of the other former EFTA countries without loss of entitlement to EFTA rates. Drawback of duty on materials used will, as under the present EFTA arrangements, continue to be prohibited for goods claiming these rates.

Goods traded between the former EFTA countries which qualify under the new rules only by the use of materials from *the six original Community members or the Republic of Ireland*, or which undergo further processing in those countries, will not during the transitional period qualify for free entry. But if they satisfy all the other origin requirements they may claim entry at *concessionary rates* which will gradually be phased out to nil by the end of the transitional period and will in most cases be those applied to imports originating in the six original Community members. In these cases, drawback may continue to be claimed on materials from any source until such date as the duties on the finished products in the country to which these are exported have been reduced to 40 per cent of the base rate (ie, January 1, 1975 in most cases except on exports to Portugal and Iceland).

Broadly speaking, this means that a UK exporter can continue to claim *duty free entry or other EFTA rates* when exporting to the six non-candidate countries provided he has met all the qualifying requirements by manufacture in the UK, Denmark or Norway or by using materials originating in the six non-candidate countries and providing he has not claimed drawback on any other materials used. Exporters who are not able to meet these requirements may nevertheless be able to qualify for *other concessionary rates* by using materials from the six original Community states or the Republic of Ireland. The rates applicable in the non-candidate countries will then be those charged on goods from the original Community members and the Republic of Ireland; and the UK exporter may in such cases claim drawback in respect of Community material and at least until 1.1.75 in respect of third country materials as well.

Rules of competition

There are no very detailed rules of competition in the agreements nor is there any obligation on the various parties to harmonise their rules since this would inevitably have involved

(*continued on next page*)

FREE TRADE AGREEMENTS
continued

giving the EFTA countries a voice in Community decisions. Broadly speaking each party will apply its own rules, members of the enlarged Community being bound by Community rules and the EFTA countries by their own domestic practice. Nevertheless certain specific practices are forbidden insofar as they adversely affect trade under the agreements. These are:

1. agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition in regard to production or trade;
2. any abuse by one or more undertakings of a dominant position within the territories of the parties to the agreement or a substantial part of it;
3. government aids which distort or threaten to distort competition by favouring certain undertakings or the production of certain goods.

A Committee to administer each agreement will be set up, composed of representatives of the parties to that agreement. One of its functions will be to resolve any problems which arise if one party to the agreement considers that practices of the kinds specified above are hindering its smooth running. If the Committee fails to resolve a problem, the party which considers itself to be injured may take appropriate steps, such as,

APPENDIX 1

LIST OF PRODUCTS SUBJECT TO THE TARIFF TIMETABLE IN TABLE 2

CCT heading	Product description	Countries to which the table 2 timetable applies				
		Austria	Finland	Iceland	Sweden	Switzerland
56.01	Synthetic and artificial textile fibre, discontinuous B. Regenerated textile fibres	Austria	Finland	—	Sweden	—
56.02	Continuous filament tow for the manufactures of synthetic and artificial textile fibres (discontinuous) B. Of regenerated textile fibres	Austria	Finland	—	Sweden	—
ex 73.02	Ferro alloys, excluding ferro-nickel and products covered by the ECSC Agreement	Austria	Finland	Iceland	Sweden	Switzerland
ex 73.15	Alloy and high carbon steel in the forms mentioned in headings 73.06 to 73.14, excluding products covered by the ECSC Agreement	Austria	—	—	Sweden	—
73.18	Tubes and pipes (and blanks therefor) of iron or steel, excluding articles in heading 73.19 B. straight and of uniform wall-thickness, other than those falling in A of a maximum length of 4.5m, of alloy steel containing by weight not less than 0.9% but not more than 1.15% of carbon not less than 0.5% and not more than 2% of chromium and not more than than 0.5% of molybdenum. ex. C. Other: Tubes and pipes of the description in B. above but of a length of more than 4.5m Tubes and pipes of stainless or heat-resisting steel	—	—	—	Sweden	—

CCL heading	Product description	Countries to which the table 2 timetable applies				
		Austria	Finland	Iceland	Sweden	Switzerland
76.01	Unwrought aluminium; aluminium waste and scrap: A. Unwrought	Austria	Finland	Iceland	Sweden	Switzerland
78.01	Unwrought lead A. Unwrought II. Other	Austria	Finland	Iceland	Sweden	Switzerland
79.01	Unwrought zinc, zinc waste and scrap A. Unwrought	Austria	Finland	Iceland	Sweden	Switzerland
81.01	Tungsten (Wolfram), unwrought or wrought;	Austria	Finland	Iceland	Sweden	Switzerland
81.02	Molybdenum, unwrought or wrought	Austria	Finland	Iceland	Sweden	Switzerland
81.03	Tantalum, unwrought or wrought	Austria	Finland	Iceland	Sweden	Switzerland
81.04	Other base metals, unwrought or wrought cermets, unwrought or wrought: B. Cadmium C. Cobalt II Wrought D. Chromium E. Germanium F. Hafnium (celtium) G. Manganese H. Niobium (colombium) IJ. Antimony K. Titanium L. Vanadium M. Uranium depleted in U 235 O. Zirconium P. Rhenium Q. Gallium, indium, thallium R. Cermets	Austria	Finland	Iceland	Sweden	Switzerland

APPENDIX 2

LIST OF PORTUGUESE PRODUCTS SUBJECT IN PRINCIPLE TO INDICATIVE CEILINGS

CCT heading	Product description
45.02	Natural cork in the form of blocks, plates, sheets or strips
45.03	Articles of natural cork
45.04	Agglomerated cork
55.05	Cotton yarn not put up for retail sale
55.09	Other woven fabrics of cotton
56.07	Woven fabrics of man-made fibres (discontinuous or waste)
57.10	Woven fabrics of jute
59.04	Twine, cordage, rope and cables, plaited or not
60.04	Knitted under garments
60.05	Knitted outer garments
61.01	Men's and boys' outer garments
61.02	Women's, girls' and infants' outer garments
61.03	Men's and boys' under garments, including collars, shirt-fronts and cuffs
61.04	Women's, girls' and infants' under garments

in particular, the withdrawal of appropriate tariff concessions. Exceptionally, in the case of export aids, remedial action can be taken in advance of consultation.

There are a number of other escape and safeguard clauses covering balance of payments difficulties, anomalies which arise as a result of differences between levels of mfn tariff on raw materials or intermediate products, dumping, and sectoral and regional difficulties. It is the intention that these matters (other than balance of payments questions) should in the first instance be discussed in the Committee and that unilateral action should only be taken if the question is not thereby resolved within a reasonable period of time. However, in exceptional circumstances, remedial measures may be put into force in advance of consultation.

Coal and steel

There are separate agreements on ECSC matters. These agreements, although differing in a number of respects, provide in general for the attainment of free trade in Treaty of Paris products by July 1, 1977 (on the same timetable as in Table 1) and for the elimination of quantitative and other restrictions on trade. An important aspect of the agreements is that the EFTA countries have agreed to observe the pricing and competition rules of the ECSC. All except Switzerland and Iceland have elected to be responsible for policing the operation of these rules themselves. Procedures are laid down for applying safeguard measures in the case of market difficulties or non-observance of the rules. A few alloy and high carbon steels are regarded as sensitive products and when imported from Sweden and Austria are subject to the special timetable of Table 2 and to the system of indicative ceiling already described. There are special provisions for Portugal on much the same lines as for the generality of industrial goods and Finland will also be allowed to retain certain quota restrictions on imports of coal and coke.

As already mentioned, the texts of the agreements will be published in the Miscellaneous series of Command Papers as soon as possible. Also further articles in *Trade and Industry* will cover in more detail certain specialised aspects of the agreements, such as origin rules and manufactured foodstuffs. In the meantime, inquiries of a general nature can be addressed to the EEC/EFTA Information Unit (Tel: 222-7877 ext. 3579 or 2479). More detailed enquiries should be addressed to 222-7877 ext. 2301 or 2302 (Mr. O'Shea), or, in regard to origin rules, to 222-7877 ext. 2713 (Mr. L. J. Smith) or on manufactured foodstuffs to 839-7711 ext. 264 (Mr. Hall).

New EC legislation

Further information on the items in this section is available from Department of Trade and Industry, Export Data Branch (EDB), Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757, extension as indicated at end of each item), or Commercial Relations and Exports (CRE) Division, 1 Victoria Street, London SW1H 0ET (tel. 01-222 7877).

COMMON AGRICULTURAL AND FISHERIES POLICY: The texts of the following Regulations, Decisions and Directives which affect the various agricultural and fisheries sectors in the EEC have been published in the *Journal Officiel des Communautés Européennes*. The French texts may be seen on application.

General. Regulation (CEE) No. 1566/72 amends Regulation (CEE) No. 729/70 relating to the financing of the common agricultural policy. (*Journal Officiel* No. L167, July 25, 1972)

Regulation (CEE) No. 1602/72 amends Regulation (CEE) No. 979/72 in so far as it concerns the countervailing amounts applicable to certain agricultural products, following developments in the monetary situation. (*Journal Officiel* No. L170, July 28, 1972)

Wines. Regulation (CEE) No. 1531/72 fixes the average producer prices in the wine sector. (*Journal Officiel* No. L163, July 19, 1972)

Regulation (CEE) No. 1564/72 relates to the second amendment to Regulation (CEE) No. 1093/70 concerning the addition of alcohol to products, of the wine sector, originating in the Community. (*Journal Officiel* No. L167, July 25, 1972)

Regulation (CEE) No. 1565/72 determines for the 1972-73 wine marketing year the price to be paid for alcohol supplied to intervention agencies by virtue of the compulsory distillation of the by-products of wine-making and the amount of the intervention in that price to be paid by the Guarantee section of the European Agricultural Guidance and Guarantee Fund. (*Journal Officiel* No. L167, July 25, 1972)

Decision 72/269/CEE authorises Italy to permit, for a limited period, the marketing, in Sicily, of standard materials for the propagation of vines subject to less stringent requirements. (*Journal Officiel* No. L166, July 24, 1972)

Regulation (CEE) No. 1595/72 defers the application of Regulation (CEE) No. 1022/70 establishing for a transitional period circulation certificates for certain wines. (*Journal Officiel* No. L169, July 27, 1972)

Regulation (CEE) No. 1601/72 relates to procedures applicable to the compulsory distillation of the by-products of wine-making for the 1972-73 marketing year and also rescinds Regulation (CEE) No. 2496/71. (*Journal Officiel* No. L170, July 28, 1972)

Cattlemeat, beef and veal. Regulation (CEE) No. 1534/72 relates to the special import system to be applied to certain frozen cattlemeat. (*Journal Officiel* No. L163, July 19, 1972)

Regulation (CEE) No. 1584/72 fixes the export refunds in the cattlemeat sector for the period beginning August 1, 1972. (*Journal Officiel* No. L168, July 26, 1972)

Cereals and rice. Regulation (CEE) No. 1533/72 fixes the premium for the denaturation of soft wheat for the 1972-73 marketing year. (*Journal Officiel* No. L163, July 13, 1972)

Decision 72/272/CEE relates to the supplementary drying of certain cereals taken over by the Dutch intervention agency for the 1971-72 marketing year. (*Journal Officiel* No. L166, July 24, 1972)

Regulation (CEE) No. 1578/72 relates to the adoption of general rules for fixing reference prices and free-at-frontier offer prices for hybrid maize intended for sowing. (*Journal Officiel* No. L168, July 26, 1972)

Regulation (CEE) No. 1621/72 fixes the rates of the refunds applicable from August 1, 1972 to certain products of the cereals and rice sectors, exported in the form of goods not covered by Annex II to the Treaty of Rome. (*Journal Officiel* No. L171, July 29, 1972)

Correction. The Journal Officiel No. L167 dated July 25, 1972 contains a correction to Regulation (CEE) No. 1454/72 determining for 1972-73 certain marketing centres for cereals and the derived intervention prices applicable thereto.

Fruit and vegetables. Decision 72/251/CEE relates to the grant of aid in order to form a reserve for insuring producers of apples and pears in the Netherlands against damages caused by hail. (*Journal Officiel* No. L163, July 19, 1972)

Regulation (CEE) No. 1575/72 alters the countervailing duty on the import of peaches coming from Greece. (*Journal Officiel* No. L167, July 25, 1972)

Regulation (CEE) No. 1591/72 fixes the standard average values for the valuation of imported citrus fruits. (*Journal Officiel* No. L169, July 27, 1972)

Regulation (CEE) No. 1596/72 fixes the reference prices for apples for the period July 1, 1972 to January 31, 1973. (*Journal Officiel* No. L169, July 27, 1972)

Regulation (CEE) No. 1598/72 formally records a situation of serious crisis in the market for cauliflowers. (*Journal Officiel* No. L169, July 27, 1972)

Regulation (CEE) No. 1627/72 abolishes the countervailing duty on imports of peaches coming from Greece. (*Journal Officiel* No. L171, July 29, 1972)

Pigmeat. Regulation (CEE) No. 1592/72 fixes the sluicegate prices and the levies in the pigmeat sector. (*Journal Officiel* No. L169, July 27, 1972)

Milk and milk products. Regulation (CEE) No. 1622/72 fixes the rate of the refunds applicable from August 1, 1972 to certain milk products exported in the form of goods not covered by Annex II to the Treaty of Rome. (*Journal Officiel* No. L171, July 29, 1972)

Sugar. Regulation (CEE) No. 1620/72 fixes the rate of the refunds applicable from August 1, 1972 to sugar and molasses exported in

(*continued on next page*)

the form of goods not covered by Annex II to the Treaty of Rome. (*Journal Officiel* No. L171, July 29, 1972)

Forestry plants and seeds. Decision 72/270/CEE exempts Germany, in so far as it concerns certain species of seeds and plants, from the obligation to apply Directive 70/458/CEE of September 29, 1970, concerning the marketing of vegetable seeds. (*Journal Officiel* No. L166, July 24, 1972)

Decision 72/271/CEE exempts Luxembourg, in so far as it concerns certain species of seeds and plants, from the obligation to apply Directive 70/458/CEE of September 29, 1970, concerning the marketing of vegeatble seeds. (*Journal Officiel* No. L166, July 24, 1972)

The *Journal Officiel* No. L171 dated July 29, 1972 contains the text of Directive 72/274/CEE amending the following:

1 Directive 66/400/CEE dated June 14, 1966 on the marketing of beet seeds.
2 Directive 66/401/CEE dated June 14, 1966 on the marketing of forage crop seeds.
3 Directive 66/402/CEE dated June 14, 1966 on the marketing of seed grain.
4 Directive 66/403/CEE dated June 14, 1966 on the marketing of seed potatoes.
5 Directive 69/208/CEE dated June 30, 1969 on the marketing of seeds of oleaginous and fibrous plants.
6 Directive 70/457/CEE dated September 29, 1970 on the common catalogue of varieties of agricultural plants.
7 Directive 70/458/CEE dated September 29, 1970 on the marketing of vegetable seeds.

Fisheries. Regulation (CEE) No. 1563/72 alters the guidance prices for fish products listed in Annex 1 (A) and (C) to Regulation (CEE) No. 2142/70 for the 1972 marketing year. (*Journal Officiel* No. L167, July 25, 1972)

Regulation (CEE) No. 1593/72 amends the German version of Regulation (CEE) No. 905/72 authorising the marketing of small shrimps of the 'Crangon' sp.p. species for human consumption. (*Journal Officiel* No. L169, July 27, 1972)

Regulation (CEE) No. 1623/72 fixes, for fish products listed in Annex 1 (A) and (C) to Regulation (CEE) No. 2142/70, the withdrawal prices as well as the conversion coefficients to be applied for the calculation of the indemnities and financial compensations in respect of fish products withdrawn from the market and for the calculation of the purchase price of sardines and anchovies. (*Journal Officiel* No. L171, July 29, 1972)

Regulation (CEE) No. 1624/72 amends the Annex to Regulation (CEE) No. 1109/71 relating to the import price of certain products of the fishing industry. (*Journal Officiel* No. L171, July 29, 1972)

Regulation (CEE) No. 1625/72 alters the reference prices in the fish products sector for 1972. (*Journal Officiel* No. L171, July 29, 1972)

Oils, fats and oilseeds. Regulation (CEE) No. 1569/72 relates to the provision of special measures for colza and rape seeds. (*Journal Officiel* No. L167, July 25, 1972)

Regulation (CEE) No. 1576/72 relates to the differential amounts levied or granted in respect of colza and rape seeds. (*Journal Officiel* No. L167, July 25, 1972)

Regulation (CEE) No. 1594/72 amends Regulation (CEE) Nos. 282/67 and 189/68 relating to oilseeds which have been subject to intervention. (*Journal Officiel* No. L169, July 27, 1972)

Regulation (CEE) No. 1603/72 amends Regulation (CEE) No. 2637/70 in so far as it concerns exports of colza and rape seeds to Denmark and Great Britain. (*Journal Officiel* No. L170, July 28, 1972)

Eggs and egg products. Regulation (CEE) No. 1619/72 fixes the rates of the refunds applicable from August 1, 1972 to eggs and egg yolks exported in the form of goods not covered by Annex II to the Treaty of Rome. (*Journal Officiel* No. L171, July 29, 1972)

Animal feedstuffs. Directive 72/275/CEE amends the Directive of July 20, 1970 on the introduction of Community methods of sampling and analysis for the official control of animal feeding stuffs. (*Journal Officiel* No. L171, July 29, 1972) **EDB ext. 7174/408**

UNCTAD GENERALISED PREFERENCES SYSTEM: *Trade and Industry* dated January 27, 1972 contained a notice about a number of Regulations setting up tariff quotas and opening tariff preferences for the period January 1 to December 31, 1972.

The texts of the following Regulations reimposing the Common Customs Tariff duties on certain of these products have been published in the *Journal Officiel des Communautés Européennes*. The French texts may be seen on application.

Common Customs Tariff no.	Description of goods	Country of origin	Full rate of duty payable from	Tariff quota or preference set up by Regulation No.
Regulation (CEE) No. 1535/72				
70.14 B	Illuminating glassware, signalling glassware and optical elements of glass	Hong Kong	July 22, 1972	2795/71
		(*Journal Officiel* No. L163, July 19, 1972)		
Regulation (CEE) No. 1585/72				
74.07	Tubes and pipes and blanks therefor, of copper; hollow bars of copper	Yugoslavia	July 29, 1972	2795/71
		(*Journal Officiel* No. L168, July 26, 1972)		
Regulation (CEE) No. 1597/72				
ex 61.02	Women's, girls' and infants' outer garments—of materials other than cotton	South Korea	July 30, 1972	2797/71
		(*Journal Officiel* No. L169, July 27, 1972)		

EDB ext. 7174/408

TEMPORARY SUSPENSION OF IMPORT DUTIES: The *Journal Officiel des Communautés Européennes* No. C80 dated July 22, 1972 contains the draft text of a proposed regulation partially or totally suspending the common tariff on certain items for varying periods. Details of the goods concerned, the reduced rate of duty and the periods during which these would be applied are set out below. It should be noted that the text of the regulation, when finally approved, may differ from the draft text referred to above. The French text may be seen on application:

Table 1

Common Customs Tariff no.	Description of goods	Rate of duty to be applied for the period July 1 to December 31, 1972
ex 38.19T	Aqueous suspension of microcapsules containing a dye in its leuco form, of the type used in the manufacture of 'duplicating paper'	Total suspension
ex 56.01A	Synthetic fibres of aromatic polyamide obtained by the poly-condensation of metaphenelyne-diamine and isophtalic acid	Total suspension

Table 2

Common Customs Tariff no.	Description of goods	Rate of duty to be applied for the period July 1, 1972 to June 30, 1973
ex 03.01 AI (b)	Salmon, fresh, chilled or frozen	Total suspension
ex 03.01 BI (q)	Sturgeon, fresh, chilled or frozen intended for the canning industry(a)	Total suspension
03.02 AI (e)	Salmon, salted or in brine, whole, headless or in pieces	Total suspension
ex 03.03 BI (b)	Oysters (other than flat ones) weighing not more than 12 g each	Total suspension
ex 03.03 BI (b)	Oysters of the 'crassostrea gigas' type weighing not more than 100 g each	Total suspension
ex 08.01 A	Dates, in immediate packagings of up to 35 kg and intended to be put up for retail sale	Total suspension
23.07 A	Fish or whale solubles	2%
28.51 A	Heavy hydrogen (deuterium) and compounds thereof (including heavy water); mixtures and solutions, containing deuterium and in which the ratio of the number of deuterium atoms to the normal hydrogen atoms exceeds 1.5000 (Euratom)	Total suspension
ex 29.44 C	Tylosin and its derivatives	Total suspension
ex 39.05 B	Sheets of rubber hydrochloride of a thickness not exceeding 0.02 mm	Total suspension
ex 49.11 B	Microreproductions on opaque paper	Total suspension
ex 51.04 A	Woven fabrics of textile fibres of polyvinylic alcohol for machine embroideries	Total suspension
ex 59.03	Bonded fibre fabrics of aromatic polyamide obtained by the polycondensation of metaphenelyne-diamine and isophtalic acid	Total suspension

(a) This suspension is subject to conditions to be determined by the competent authorities.

The *Journal Officiel des Communautés Européennes* No. L167 dated July 25, 1972 contains the text of Regulation (CEE) No. 1567/72 extending to August 31, 1973 the application of Regulations (CEE) Nos. 2313/71 and 2823/71 relating to the temporary suspension of Common Customs Tariff duties on wines originating in and coming from Algeria, Morocco, Tunisia and Turkey. The French text may be seen on application. **EDB ext. 7174/408**

STATE AID: The *Journal Officiel des Communautés Européennes* No. L169 dated July 27, 1972 contains the text of Directive 72/273/CEE concerning aid for shipbuilding. The French text may be seen on application. **EDB ext. 7174/408**

COMMON COMMERCIAL POLICY — COMMUNITY IMPORTS: The *Journal Officiel des Communautés Européennes* No. L171 dated July 29, 1972 contains the texts of the following:

1 Regulation (CEE) No. 1626/72 establishing a Community surveillance on imports of electronic calculating machines (CCT No. ex 84.52 A) coming from Japan.
2 Regulation (CEE) No. 1629/72 establishing a Community surveillance on imports of unwrought aluminium (CCT No. 76.01A) coming from the countries referred to in Annex II to Regulation (CEE) No. 1025/70. The French texts may be seen on application. **EDB ext. 7174/408**

RULES OF COMPETITION: *Trade and Industry* dated July 8, 1971 contained a notice about Decision 71/224/CEE under Article 86 of the Treaty of Rome in the case of Gesellschaft fur musicalische Auffurhrungs- und mecanische Vervielfaltigungsrechte (GEMA) of Berlin. The *Journal Officiel des Communautés Européennes* No. L166 dated July 24, 1972 contains the text of Decision 72/268/CEE concerning proceedings under Article 86 of the EEC Treaty (IV/26.760-GEMA). The French text may be seen on application. **CRE ext. 2354/2355**

IMPORTS FROM NON-MEMBER COUNTRIES: The *Journal Officiel des Communautés Européennes* No. L166 dated July 24, 1972 contains the texts of the following Decisions. The French texts may be seen on application:

Decision 72/257/CEE authorises France to exclude from Community treatment fruit preserves (CCT Nos. 08.10 A and ex B and 20.05 ex C) originating in Poland and freely circulating in the other Member States.

Decision 72/264/CEE authorises France to exclude from Community treatment asparagus, prepared or preserved without vinegar or acetic acid (CCT No. 20.02D) originating in Brazil and freely circulating in the other Member States.

Decision 72/265/CEE authorises France to exclude from Community treatment radio broadcasting receivers whether or not combined with sound recorders or reproducers (CCT No. 85.15A III) originating in Japan and freely circulating in the other Member States.

Decision 72/266/CEE authorises France to exclude from Community treatment radio broadcasting receivers whether or not combined with sound recorders or reproducers (CCT No. 85.15A III) originating in Hong Kong and freely circulating in the other Member States.

Decision 72/267/CEE authorises France to exclude from Community treatment powdered leeks (CCT No. 07.04 ex B) originating in China and freely circulating in the other Member States. **EDB ext. 7174/408**

COMMON CUSTOMS TARIFF: The *Journal Officiel des Communautés Européennes* dated July 24, 1972 contains the text of Decision 72/256/CEE authorising Belgium, Luxembourg and the Netherlands to defer the raising of their tariff duties up to those of the EEC Common Customs Tariff in so far as it concerns manufactured tobacco falling within Common Customs Tariff heading 24.02 A, B, C and D. **EDB ext. 7174/408**

EEC/TURKEY AGREEMENT: The *Journal Officiel des Communautés Européennes* No. L167 dated July 25, 1972 contains the texts of the following:

1 Regulation (CEE) No. 1568/72 relating to the conclusion of an agreement extending the interim agreement between the EEC and Turkey.
2 The agreement extending the interim agreement between the EEC and Turkey.

The French texts may be seen on application. **EDB ext. 7174/408**

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Compensatory levy

Introduction

COMPENSATORY levy is a payment which traders may elect to make to Customs at the time of exportation to another Member State of home produced goods manufactured from or incorporating 'third country' materials, so that they may then claim both export relief from any protective import duty on those materials and also the benefit of preferential rates in the importing country.

It applied during the original transitional period of the EEC and applies now to trade between the EEC and Greece. It will probably apply during the new transitional period when tariff rates between the Six (Belgium, France, Germany, Holland, Italy and Luxembourg) and the Four (the United Kingdom, Denmark, Norway and the Republic of Ireland) are being progressively reduced to zero.

Article 45 (2) of the Treaty of Accession provides for the payment of compensatory levy. Community Regulations are expected in due course. Until these Regulations have been issued, it must be emphasized that the information given below is provisional.

This is one of a series of articles on Customs aspects of accession to the European Communities. At this stage, the views expressed must be considered to be provisional, depending in particular upon the enactment of the European Communities Bill, at present before Parliament.

The need for a compensatory levy during the transitional period

During the transitional period the Four and the Six will gradually abolish the tariff barriers between them by five 20 per cent cuts in most cases starting on April 1, 1973 and ending on July 1, 1977. Each of the Four will also be adjusting its individual external tariff rates upwards or downwards as necessary to align them with the Community's Common Customs Tariff (CCT) payable on 'third country' goods (ie goods from outside the Community).

Once the intra-Community tariff cuts are significant (ie when they exceed 20 per cent) it seems reasonable that, where an exporter claims export relief on 'third country' materials in one Member State, these materials should bear the full CCT rate on importation into another Member State; otherwise there could be a serious deflection of trade.

It was for this reason that when the Common Market was originally set up by the Six, they introduced the option of a compensatory levy. This compensatory levy has the effect of bringing the total import duties on the exported goods manufactured from or incorporating 'third country' materials on which relief has been given, up to a level sufficient to enable the importing Member State to permit entry at a preferential rate of duty. Processors in that Member State using similar 'third country' materials on which the full CCT duty would be payable are thus not put at a disadvantage.

The method of calculating compensatory levy

Bearing in mind the method of calculation originally adopted by the Six, it is probable that compensatory levy will be calculated as follows for goods dutied at *ad valorem* rates:

Compensatory levy =

Value at import into UK of 'third country' materials	×	current CCT rate of duty on these materials	×	percentage reduction on intra-Community tariffs at the date of export

As the preferential rate of duty between the Four and the Six falls, so the compensatory levy payable on a particular exportation rises.

The three options open to exporters during the transitional period

As soon as the intra-Community tariff cuts exceed 20 per cent, which is likely on January 1, 1974 the following options will, therefore, be open to the UK exporter:

(1) to obtain relief on the 'third country' materials and have his completed product dutied at the *full CCT* rate on entry into eg France; or

(2) to forego export relief on the 'third country' materials and have his completed product dutied at the *preferential* rate on entry into eg France; or

(3) to obtain relief on the 'third country' materials, pay compensatory levy and have his completed product dutied at the *preferential* rate on entry into eg France.

The amount of duty relief obtainable on 'third country' materials is unlikely to be the same as that of the compensatory levy, since these two amounts are calculated on quite different bases; the former will be calculated by reference to the UK tariff and the latter by reference to that percentage of the CCT rate which reflects the current intra-Community tariff cut. Furthermore the rate of duty on a completed product is often higher than that on materials or ingredients. Consequently the exporter may well find that, by opting to pay the compensatory levy, a lesser amount of duty etc overall is paid on the goods jointly by himself and the EEC importer. It must be emphasized that it will be the exporter's responsibility to decide which of these three options he wishes to adopt, taking into account his price to his customer and the probable Customs charges which that customer will be expected to pay.

Compensatory levy will not apply in the following cases:

(1) Where duty relief is not allowable or is not claimed.

(2) Where the goods exported are in the same state as they were in at importation, ie where they have not undergone any process (with the possible exception of repacking) or where they have not been incorporated in other goods in the exporting country.

(3) Where the goods are being exported to third countries (but see paragraph 6 below as regards Greece and Turkey).

(4) Where any duty relief claimed relates to materials from another Member State and they would otherwise have been entitled to admission at the intra-Community rate of duty.

(5) Where admission into the Community at the preferential rate is not claimed.

Greece and Turkey

Greece and Turkey are associated with the Six with a view to moving towards full Customs union. Compensatory levy already applies for exports from the Six to Greece, but not for exports to Turkey, where the tariff reductions have yet to reach 20 per cent. Compensatory levy is likely to apply also for exports to these countries from the Four, when the tariff reductions exceed 20 per cent. Possibly this will apply in 1974 in the case of United Kingdom exports of industrial goods to Greece.

Norway and Denmark

It is expected that, during the transitional period, the United Kingdom, Denmark and Norway will continue their present free trade with one another under modified arrangements involving origin criteria and with retention of the 'no drawback' rule as in the present EFTA arrangements. In cases where goods do not qualify for duty free admission, traders will probably be able to exercise the choices described under the heading 'The three options open to exporters during the transitional period'.

EFTA non candidates (ie Sweden, Switzerland, Austria, Portugal, Finland and Iceland)

Under separate agreements with EFTA non candidates, preferential arrangements will continue on the basis of modified origin and 'no drawback' rules. In these circumstances no question of compensatory levy arises.

Republic of Ireland

It is expected that trade between the United Kingdom and the Republic of Ireland will be subject to compensatory levy, where relief from duty is claimed.

Goods subject to the Common Agricultural Policy

This article does not deal with goods subject to the Common Agricultural Policy. The position regarding such goods is still under consideration.

Further information may be obtained from HM Customs & Excise, Kings Beam House, Mark Lane, London EC3R 7HE, Telephone 01-626 1515 Extension 3055.

ECGD addresses

The Export Credits Guarantee Department's head office is at Aldermanbury House, Aldermanbury, London EC2P 2EL (Tel. 01-606 6699). ECGD has 20 local offices in various parts of the United Kingdom; these are listed from time to time in *Trade and Industry*.

Consultations on company law

MR. Michael Noble, Minister of Trade, announced on August 2 arrangements for consultation between the Department of Trade and Industry and outside interests in the field of company law concerning proposals for new legislation and developments within the European Economic Community.

Answering a Commons question Mr. Noble said:

'Good contacts have already been established between my Department and the various professional and other bodies concerned with these matters, including the CBI Committee on Company Affairs recently set up under the Chairmanship of Viscount Watkinson. I hope that these channels of communication will continue to be freely and effectively used.

'I have now decided that it is desirable to supplement these arrangements by establishing two groups at working level, both under the Chairmanship of the Under-Secretary in charge of Insurance and Companies Division.

'The first, which will take the place of the Companies Act Consultative Committee, will be the Companies Consultative Group, whose task will be to advise the Secretary of State on proposals for the reform of company legislation and any related administrative questions. The members of the Group will be:

Mr. M. R. Harris,	Price Waterhouse and Co.
Mr. N. S. Wilson	Slaughter and May
Mr. C. L. G. Baker	Dunlop Holdings Ltd.
Mr. A. F. Murray, CBE, MA, FIA	Prudential Assurance Co. Ltd.
Mr. H. Holmes	Unilever Ltd.
Mr. I. Fraser, CBE, MC	Lazard Brothers and Co. Ltd.

'The second Group will be the Advisory Working Party on Europe, which will advise the Division on proposals for harmonisation of company law and other related matters arising from the accession of the United Kingdom to the EEC. The members will be provided by the CBI, the Institute of Chartered Accountants in England and Wales, the Stock Exchange, the Law Society and the Committee on Invisible Exports. The actual membership may vary according to the particular subject matter being considered and the Working Party will, therefore, be kept on an informal and personal footing. Some questions may need to be examined by both the Advisory Working Party on Europe and the Companies Consultative Group.

'Taken as a whole these arrangements will, I hope, ensure that the Department is enabled to keep in regular touch with those in the City, industry and professional bodies, who are considering these matters, and to have available ready sources of expert and, if need be, speedy advice when proposals are under consideration.

'The Secretary of the Consultative Group and the Working Party will be located at the Department of Trade and Industry, Sanctuary Buildings, Great Smith Street, London, SW1; any communications or recommendations about their work should be addressed to the Secretary.'

ITALY

La Marina Mercantile.

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Italian Maritime Review

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VAT—'a much better and fairer system'

by the Rt. Hon. Anthony Barber, Chancellor of the Exchequer

The launching of an official bulletin† dealing with taxation matters is something of an innovation, and I should like to take the opportunity in this first edition to tell you why the Government are introducing a Value Added Tax on April 1 next year, and why I think you will find it a much better and fairer system of levying indirect taxation.

FIRST of all VAT is replacing two taxes—Selective Employment Tax and Purchase Tax—both of which will be abolished. The trouble with these taxes is that they are discriminatory and too narrowly based. SET falls on some industries and not on others. Artificial borderlines in the Purchase Tax result in basically similar articles being taxed on either a lower or a higher rate or in some cases not at all.

VAT on the other hand is in principle a broadly based tax falling on final consumer expenditure, except on those goods and services where there are strong social and economic reasons for giving relief. The broader base of the tax enables a relatively high revenue yield to be obtained by a relatively low rate.

Our proposed standard rate of 10 per cent is the lowest in Europe. The wider coverage of VAT will therefore reduce distortions which high and selective rates of tax have produced both in commercial activity and in the patterns of personal consumption. Looking ahead, any adjustments in the rate of VAT—whether up or down—can be expected to be markedly smaller than the sharp changes which have been a common feature of Purchase Tax. Firms can therefore make their investment plans in the knowledge that violent over-night fluctuations in the tax burdens on their products are a thing of the past.

VAT's advantages

The zero-rating of exports under VAT enables a trader to reclaim all the tax paid at earlier stages in respect of the goods he exports. Both SET and some elements of Purchase Tax enter into export costs and one of the advantages of VAT is that it enables this hidden tax burden to be almost completely remitted.

The tax has other advantages which may not yet have been fully realised. VAT is neutral in the sense that it does not discriminate between more or less vertically integrated methods of production and it is neutral in its impact upon the turnover of competing firms with differing ratios of labour costs to profits in their value added. Traders may also find their cash flow improves because of the way the tax will be collected. The normal accounting period will be three months, with a further month in which to submit the tax return and the tax due, so the Exchequer is in fact allowing you the equivalent of 2½ months' credit. Finally, the operation of the credit mechanism within the tax under which at the end of each accounting period you can offset the tax charged on your purchases against the tax collected on your sales effectively means that your stocks are held tax-free, unlike the present position under Purchase Tax. So that long-standing problem of the retailer—the loss on his stock when Purchase Tax rates are reduced—disappears for good under VAT.

In addition to these features, the tax we have designed for this country has yet further advantages. Our aim all along has been to keep the tax as simple as possible, and with this in mind we have decided to have only one positive rate of tax. We have adopted a generous exemption limit for small traders; we have tried to provide for the use of existing commercial procedures as far as possible; and we have prepared special simplified systems of accounting to help retailers.

Determining prices

I should also like to add a word about the considerations traders should bear in mind in determining prices after April 1, 1973. First, full allowance should be made for the abolition of Purchase Tax and SET. It will be relatively straightforward for each trader to identify the purchase tax and SET directly incurred. And it will be necessary to check that suppliers' prices also reflect their savings as a consequence of the abolition of these two taxes. It was to assist this comprehensive re-pricing throughout the economy that the provisional rate of VAT was announced in this year's Budget, well in advance of the change-over date. Then, as I have mentioned, the operation of the credit mechanism means traders will effectively be holding their stocks free of tax and so will not have to finance any tax burden as they do now under Purchase Tax nor make a forced loan to the Government as they do under SET. It is important to appreciate that VAT is a completely different kind of tax from Purchase Tax. We need to dispel the false impression that retailers should apply their mark-up to the tax-inclusive price charged to them by wholesalers, as some of them now do for goods which have borne Purchase Tax, and then add on VAT. If they do this. they will be charging too much and may then find themselves undercut by their competitors who have understood how the tax mechanism operates.

I should like to end by thanking the many trade and professional associations with whom the Customs and Excise have had consultations. Their comments and suggestions have proved invaluable to us in devising the new tax. Some people I know are concerned about VAT because it is new and in principle so different from the taxes with which we are familar. However, it is now operating in eight other European countries and their general experience is that after a few teething troubles the tax soon settles down and works well. If they can do it I am confident we can as well.

† This article is reprinted from *VAT Bulletin*, the first issue of which was published this week by Customs and Excise. Designed to act as a link between Customs and Excise and management, *VAT Bulletin* is to be published every six weeks or so, and is distributed through trade associations and other representative bodies. Other articles in the first issue of *VAT Bulletin* are: *The VAT system explained*, *How traders will be informed* and *Special schemes for retailers*.

Additional support for the computer industry

MORE Government support for the computer and related industries was announced by Christopher Chataway, Minister for Industrial Development on August 2. In answer to a question in Parliament Mr. Chataway said that the Fourth Report, Session 1970-71, of the Select Committee on Science and Technology, dealing with direct support of the computer and related industries and Government purchase and use of computers, had now been considered. He continued:

'I announced on July 3, 1972 a substantial increase in R and D support for International Computers Ltd. A number of additional measures of support for the computer and related industries have been adopted:

(*a*) A number of contracts have been placed for the development of advanced applications systems to meet customer requirements, involving users and software houses in addition to ICL. Further contracts are under consideration;

(*b*) A scheme is being introduced, which will be operated in close association with the software industry, to support the development of software products, in order to help users develop their programmes and improve the efficiency of their systems. This is on a "pump-priming" basis, with the intention that thereafter the scheme should be sustained by the proceeds of a levy on sales of the developed products;

(*c*) Contracts are being placed for the development of suitable software for use with remote computer terminals.

'In addition DTI and the Central Computer Agency have placed a number of study contracts (eg of data networks) aimed at helping to develop the industry's capability to meet market demands. The total cost of the measures listed above will be about £6 million per anum, of which half will be contributed by the Government.

'The Government agree that Government-supported R & D should be market-oriented, and a Requirement Board is being set up on the basis described in the White Paper, "A Framework for Government Research and Development" (Cmnd 5046), to cover the field of Computers, Systems and Electronics: customer interests in industry and elsewhere will be strongly represented on this Board, whose role corresponds closely to that envisaged by the Committee for its proposed Computer R & D Board. The Government believe it to be right however that the Board should not be independent but directly responsible to a Minister accountable to Parliament.

'The Government regard the policy of single tendering for certain computers as an important part of the support needed by ICL in present circumstances, and as I announced on July 3 this will continue for the present. Competitive tendering will be used in other cases apart from those referred to in the House of Commons on March 2, 1971. The Government have not felt able to adopt the Committee's proposals for a system of preference based on a number of specific criteria relating to the national interest.

'The Government agree that where there is advantage in inviting tenders for individual items of a system, and where the problems of systems integration and management allow of it, this should be done, but they do not consider it would be generally practicable.

'The Government have already announced the setting up of the single agency to purchase computer equipment and services, and to develop and co-ordinate their use in Central Government. Because of the need for close association between policy for the use of computers in Government, planning and execution, the Government think it right for the Central Computer Agency to be under the direct responsibility of the Minister for the Civil Service.

'The Government accept the desirability of Departments making public as much information as practicable about their computer plans and progress. They consider however that such plans are likely to be most meaningfully presented in the context of the policies concerned, rather than as abstract computer proposals, and they do not think it would be appropriate to require formal reports on this subject to Parliament.

'As announced on November 25, 1971, the Government have accepted the Committee's recommendations for a substantial increase in the use of external service organisations. Nearly 200 contracts to a value of more than £2 million are expected to be placed with such organisations during the current financial year; this is in addition to purchases of machine-time on bureau computers.'

Mr. Michael Heseltine, Minister for Aerospace (left)—within whose sphere of responsibility fall standards, weights and measures—visited the British Standards Institution recently. He is seen with Mr. G. B. R. Feilden, director general of the Institution, discussing a photographic display at the BSI conference centre, Hampden House, Mayfair.

Minister announces major new study of Heathrow passenger flow

MR. Michael Heseltine, Minister for Aerospace, announced on August 3 the commissioning of a major new study by the Metra Consulting Group into the flow of passengers and baggage at Heathrow Airport London in order to assist the British Airports Authority and the airlines handle the considerable growth of traffic expected at the airport over the coming years.

In a written answer in the House of Commons, Mr. Heseltine said:

'The need to increase the speed of transit through airports has long been recognised both internationally and by the several interests at individual airports; and substantial improvements have been achieved. The additional checks and procedures now unfortunately necessary for reasons of aviation security together with the growth of traffic through a congested site have, however, intensified the problem at Heathrow and at the suggestion of the chairman of the BAA and with the ready support of the chairman of the Air Corporations, I have commissioned the Metra Consulting Group to study the problem with a view to making recommendations aimed at alleviating congestion throughout the 1970s and avoiding unnecessary delays and other sources of irritation to passengers.'

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Dealers in Securities

THE following changes have taken place in the lists of dealers in securities under sections 3 and 16 of the Act:

Licensed dealers

Additions

Bremar Holdings Ltd., Bremar House, 27 Sale Place, London W2

Constable and Bain Ltd., 1/4 Copthall Chambers, Copthall Court, London EC2

Financial Network Eurosavage Ltd., 18 Queen Anne Street, London W1.

High Finance Ltd., St. James House, 44 Brazennose Street Manchester 2

International Marine Banking Co. Ltd. 40 Basinghall Street, London EC2P 2DY.

Star (Great Britain) Finance Ltd, 16 Grosvenor Street, London W1X 0DX.

Stock Market Analysts Ltd., Wilec House, 82/84 City Road, London EC1Y 2DA.

Deletion

C.W. Capital Ltd. 84 Chiswell Street, London EC1Y 4TN.

Changes of Adress

Allied Bank International, 1 Cornhill, London EC3P 3HE

Cainland Securities Ltd. 5/7 Russia Row, Milk Street, London EC2V 8BJ

Change of Name

Trade and General Securities Ltd., has changed its name to Corinthian Trade & General Securities Ltd.

Exempted dealers

Additions

Credito Italiano SpA, 37 Threadneedle Street, London EC2.

First National Finance Corporation Ltd, First National House, Finsbury Pavement, London EC2P 2HJ.

AUTHORISED UNIT TRUST SCHEMES

THE following amendments have taken place in the list of unit trust schemes authoritised under Section 17 of the Act and published in Part 5 of the 1972 Particulars of Dealers in Securities and of Unit Trusts.

Additions

Group and/or name and address of management company	Name of scheme	Name and address of Trustee
M & G Securities Limited Lee House London Wall London EC2	The M & G European & General Fund	Lloyds Bank Limited 71 Lombard Street London EC3
Vavasseur Unit Management Limited 15/16 America Square Crosswall London EC3	Vavasseur Australian Trust	Midland Bank Executor and Trustee Company Limited 27/32 Poultry London EC2
Jessel Britannia Group Limited 16 Finsbury Circus London EC2	Jessel Australian & General Fund	Midland Bank Executor and Trustee Company Limited 27/32 Poultry London EC2

Changes

The name of Vavasseur Assets Trust has been changed to Vavasseur European Trust.

Equitas Securities Limited have changed their address to Observatory House, Windsor, Road, Slough, Bucks.

Programme to reduce lead in petrol

MR. Peter Walker, Secretary of State for the Environment, announced on August 1 a phased programme to reduce the lead content of petrol. The maximum permitted level will be cut by almost one-half over the next three years.

The present permitted maximum is 0.84 grammes per litre. This is laid down by British Standard BS4040 with which the oil industry voluntarily complies. Mr. Walker said in a written answer in the House of Commons that the permitted maximum would be reduced to 0.64 grammes per litre by the end of this year; to 0.55 grammes per litre by the end of 1973 and to 0.45 grammes per litre by the end of 1975.

The announcement follows an extensive review initiated by Mr. Walker last year. The oil and motor industries have been fully consulted and have agreed to co-operate in carrying out the programme and agree that these proposals should be backed by legislation.

Mr. Walker said that the Chief Medical Officer of Health had advised that the present levels of lead emissions did not constitute a danger to health but that it was desirable that they should not be exceeded and, if possible, they should be reduced. In the light of this advice Mr. Walker and Mr. John Davies, Secretary of State for Trade and Industry, have agreed progressive reductions up to the end of 1975.

The DOE was collaborating with DTI and the industries concerned in studying other means of controlling emissions of lead from vehicles to see whether further reductions were possible in the longer term.

The decision to reduce the lead content of petrol to 0.45 grammes per litre by 1975 will ensure that lead emissions from petrol-engined vehicles will fall substantially taking into account rising vehicle mileage. The industry has given an assurance that the reduction will not prevent the continued production of high grade (5 star) petrol which many present day vehicles need.

Compliance with the new levels is expected to cost no more than 0.1p per gallon in the first stage and about ½p per gallon for the full reduction to 0.45 grammes per litre.

Team to study unification of Northern Ireland electricity supply

A FIVE-MAN project team has been appointed by Mr. David Howell, Parliamentary Under-Secretary at the Northern Ireland Office, to determine the best way of implementing the provisions of the Electricity Supply Order 1972, which provides for the setting up of a unified electricity-supply industry for the whole of Northern Ireland.

It will be the task of the team to produce a blueprint of the new organisation and to make an assessment of the major problems and difficulties, especially the best ways of effecting a smooth transition from the four existing bodies. The new body is to be known as the Northern Ireland Electricity Service.

Study report on aerodrome fire and rescue services

A STUDY report *Aerodrome Fire and Rescue Services*, completed for and in collaboration with the Department of Trade and Industry by EASAMS Ltd., is now available as a Civil Aviation Authority publication from HMSO at £3. It provides for the first time a comprehensive and statistical review of aircraft accidents involving fire, of the potential risks, and the effectiveness of aerodrome fire services.

Responsibility for fire and rescue services has now passed to the Civil Aviation Authority, which has studied the report and generally agrees with most of its conclusions and recommendations.

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DTI and company law—Trade Minister's statement

THE following statement was issued by Mr. Michael Noble, Minister for Trade on August 4: 'In the House of Commons yesterday Mr. Arthur Lewis, MP, made a sweeping attack on the Department of Trade and Industry, alleging that its officials had been guilty of a deliberate conspiracy to cover up illegal activities in the field of company law.

'These and other allegations have today been given further currency by Mr. Moir who for some years has been assisting Mr. Lewis in a campaign against the Department. In view of the wide coverage which these groundless allegations have received, and since my officials are not free to answer these charges personally, I wish to state that not one scrap of evidence of any conspiracy on the part of any official with any member of any of the 13 companies named by Mr. Lewis, or of any other company has been produced to me by either Mr. Lewis or Mr. Moir.

'Mr. Lewis named a number of cases stretching back over many years. In some of these cases the department appointed inspectors under the Companies Act 1948. In others, after the most careful consideration, the Department decided not to appoint inspectors. That does not of course mean that nothing was done, it simply means that in the Department's view, the appointment of inspectors was not the most suitable course of action. A number of cases which Mr. Lewis mentioned have been the subject of references to the Parliamentary Commissioner for Administration. The Parliamentary Commissioner has so far found against the Department only in one case where on a balance of considerations he felt that there had been an error of judgment.

'Mr. Lewis further alleged that the Department has failed to respond to the demands of shareholders, accountants, solicitors, barristers and sometimes former directors in such companies for action to be taken. Such complaints have invariably been given detailed scrutiny. Simply because the Department after such consideration has concluded that it would not be right or that it had no legal powers to take the action suggested is nothing for which the Department should be criticised.

'To put the matter in perspective, as I said yesterday, there are some half a million companies incorporated in this country and the number is increasing by about 4,000 new ones every month. The cases which Mr. Lewis has quoted are a minute proportion of that total. It is important to distinguish between inadvertent delays in submitting returns and the small minority of cases where deliberate fraud or misdemeanour may be involved. We cannot always stop the deliberate and cunning rogue any more than a most efficient police force can stop the determined robber, but we usually manage to catch up often very quickly with offenders. The use of our various powers has recently been considerably increased as the following figures show':

Investigations under S164 and 165 of 1948 Companies Act and under S109 of the 1967 Companies Act

1968	1969	1970	1971
55	75	68	117

Prosecutions under S126 of the Companies Act 1948 for failure to forward annual returns to the Registrar of Companies. Convictions shown in brackets.

1968	1969	1970	1971
151	146	284	517
(114)	(115)	(223)	(386)

A stretched RB211 and BAB's TriStar order

MR. Michael Heseltine, Minister for Aerospace, told the House of Commons on August 7 of a 'stretched' RB211 engine and of the British Airways Board's decision to order six TriStars with an option for six more.

'Two major decisions have been taken on the RB211 programme,' said Mr. Heseltine. 'First we have accepted proposals from Rolls Royce (1971) Ltd. to develop the engine from 42,000 to 45,000 lb. thrust. Rolls-Royce (1971) estimate the development cost to be £31 million. They will meet 25 per cent of this from working capital. If the development cost should exceed £31 million they will meet 50 per cent of any increase up to a total project cost of £61 million. The remaining development costs will be met by the Government. Production cost will be met wholly by Rolls-Royce (1971) and arrangements will be made for recovery of the Government's development contribution.

'This stretched engine, to be known as the RB211-24, will be used in the first instance in an extended range TriStar, the "-2" which Lockheed are determined to develop with a view to introduction into service in 1975. Development of the engine, on which some preliminary work has been done by Rolls-Royce (1971), will start at once because it will take longer than the modification of the airframe. Continuation of this programme will of course depend on a final decision by Lockheed to develop the -2 on which they have already started preliminary work and on the conclusion of satisfactory contractual arrangements between Rolls-Royce (1971) and Lockheed.

'Second the British Airways Board have decided that the introduction of the TriStar into their fleet best suits their particular commercial requirement. They have therefore decided, provided Lockheed decide to develop the -2, to place an initial order for six TriStar-1s, with an option on six more aircraft which might be -1s or -2s. My Right Hon. Friend has approved this decision which is primarily one for the commercial judgment of the Board. There are possibilities of a European application of the RB211-24 in versions of the A300B airbus to which the Hawker Siddeley Group are already making a substantial private contribution. I have made it clear to the French Minister of Transport, and Rolls-Royce (1971) have made it clear to Aerospatiale that we are very willing to consider specific proposals for suitable applications of the RB211. In doing so I explained to M. Galley my view that for the future it will be essential for European countries to develop a more co-ordinated procurement policy for aircraft and a more integrated manufacturing capability. I have made clear my readiness to enter into discussions of these wider issues at any time with the French and other European governments.

'I believe that these decisions should give a substantial new impetus to the RB211 programme. It will also play a major role in securing the future prospects of Rolls-Royce (1971) which we are determined to maintain as a major manufacturer of aircraft engines in its own right and in due course as part of a wider European grouping.'

Clearance of merger proposals by the DTI

THE Department of Trade and Industry announce that on the information at present before them, it is not their intention to refer to the Monopolies Commission, under the provisions of the Monopolies and Mergers Act 1965, the proposed merger between the following enterprises:

British Insulated Callender's Cables Ltd. and the power capacitor business of A. H. Hunt (Capacitors) Ltd.

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PARLIAMENT

Supplementary questions and answers on the items in these pages are published in *Hansard*

MONDAY, JULY 31

British film industry

Questions were asked about plans to encourage the expansion of the British film industry. Mr. Grant said that film production companies benefited from quota legislation and payments out of the British Film Fund and the National Film Finance Corporation had, with Government support, recently joined with private investors to set up a consortium to encourage film production. 'I am satisfied that studio facilities are available on a competitive basis to anyone who wishes to produce a film in this country', said Mr. Grant, when asked about policy in relation to the diversification of ownership of film studios with a view to the encouragement of competition.

Pharmaceutical products

Mr. Noble was asked to publish the proportion of United Kingdom exports of pharmaceutical products during 1971 which were produced by foreign-owned or foreign-controlled companies. He said that the latest estimate that could be made was for 1970, when the proportion was close on one-half. Mr. Noble was also asked if he would arrange for statistics on the balance of patents payments for pharmaceutical products to be collated in future. 'No', Mr. Noble replied. 'The value of this additional information is not thought to justify the trouble and cost its collection would entail.'

Machine tool industry

Mr. Anthony Grant, Parliamentary Under-Secretary of State for Industrial Development, was asked what studies the Department of Trade and Industry had made of Swedish counter-cyclical policy in the machine tool industry, details of which have been sent to him. He replied that investment reserve schemes were studied in 1966 by the Working Party on the Problems arising from the Cyclical Pattern of Machine Tool Orders (Bullock Report) and were considered in 1970 by the Machine Tool Expert Committee (Way Report). Both reports were published.

Real Estate Fund of America

Mr. Michael Noble, Minister for Trade, was asked if the Department of Trade and Industry would investigate irregularities in the Real Estate Fund of America and their evasion of the Companies Acts. He answered 'No: the Real Estate Fund of America is incorporated in Liberia. Certain activities in connection with the sale of its securities, carried out in this country by associated companies, have been investigated by the Department of Trade and Industry and by the police, and reports are now being considered by the Director of Public Prosecutions and the Department.'

Aerospace industry

In reply to a question on proposed discussions with European governments concerning the formulation of a strategic plan for European aerospace industry, Mr. Onslow said: 'Her Majesty's Government continue to take every opportunity to discuss with European Governments the evolution of a European aerospace industry and encourage UK aerospace companies to pursue similar objectives.'

A Member also asked Mr. Michael Heseltine, Minister for Aerospace, what proposals had been received from the United States regarding the role the United Kingdom might play in the development of post-Apollo and space shuttle projects. Mr. Heseltine said that no proposals had been received. The question of participation in the space shuttle and other components of the post-Apollo programme was one for consideration jointly by the European Space Conference countries.

Mr. Heseltine was also questioned about Government assistance to aerospace projects, following the Report of the Expenditure Committee. 'The Report is being studied and a reply will be given in due course,' he said.

Safety in coal mines

Mr. Peter Emery, Parliamentary Under-Secretary of State for Industry, said in reply to a question, that about £2½ million had been spent by the National Coal Board during the last five years in order to make disused mineshafts secure.

Concorde costs and orders

Mr. Heseltine answered a number of questions on Concorde. He said the latest estimate of research and development costs was given to the House on May 4, and it agreed on July 21 that up to £125 million could be advanced to finance production as an interim measure while the full amount likely to be required was assessed.

Asked why Concorde production expenditure in France had already reached £75 million and in the United Kingdom £30 million, he replied that expenditure on production in France was running at a comparable level to that in this country. The total commitment in the United Kingdom was £75 million, which included orders placed on French suppliers. The total commitment on the French side was of the same order.

He was asked to list the departmental checks upon the development costs of Concorde, and said procedures for monitoring the development programme and expenditure were explained to the Standing Committee of Public Accounts and were described in the reports for session 1968-9.

He said he expected to be able to inform Parliament of the permanent financing arrangements he had in mind for the financing of Concorde production aircraft early in the next session.

Outlining the latest position on orders for Concorde, Mr. Heseltine said BOAC and Air France had signed contracts for five and four Concordes respectively. 'The Chinese have signed a preliminary purchase agreement for two aircraft and considering increasing it to three. Iran Air have said that they will purchase three aircraft. Discussions are in progress with other potential purchasers, but it is too early to forecast the number of orders that will be received,' he said.

The contract signed on July 28 for the sale of five Concorde aircraft was a matter settled between the British Overseas Airways Corporation and the British Aircraft Corporation.

Air Canada had informed the manufacturers that they did not wish to renew their option agreement for four aircraft with deliveries in 1977-8. The Chairman of Air Canada explained in a statement on July 5 that at the present time Concorde was not suitable for Air Canada's type of operation but the airline intended to watch closely all developments in supersonic technology and the evolution of the travel market.

Asked for the recent estimate of the number of aircraft that would have to be sold to cover the research and development costs, and for the estimate of the research and development losses involved by stated scales of sales, he replied: It has been recognised for some time that we could expect to recover only part of the research and development costs. The precise amount of recovery will depend upon a wide range of factors including the number of aircraft sold and their price.'

On supersonic flying rights for Concorde, he said the Department was in touch with BOAC on its route plans. Types of aircraft and speeds of flight were not usually specified in international rights for air services. 'As planning for Concorde services progresses, if it appears that States' regulations affect intended paths for flight at supersonic speeds, any necessary discussions will be undertaken,' he said.

The United States Government's intention to restrict supersonic flying overland had been known for some years. But many of the United States airlines had international routes which are ideally suited for Concorde operations.

Asked what technical progress was being achieved to make Concorde production aircraft less noisy on take-off, landing and flyover. Mr. Heseltine said the development work already in progress would ensure that the production aircraft would be substantially quieter than the prototypes.

On the latest estimates as to the number of passengers which Concorde would be able to carry in commercial flights, he said the manufacturers were confident that the target payload on entry into service of 20,000 lb. between Paris and New York in summer conditions, which was equivalent to about 24,000 lb. between London and New York, would be achieved. The actual numbers of passengers on specific routes would depend upon the individual airline's policy towards seat layout, optional equipment, and operating procedures.

Patents

A suggestion was made that consideration should be given to moving the British Patent Office to Coventry, as part of the general policy of decentralising government departments and locating them in areas appropriate to their functions. Mr. Noble replied that the Government had already accepted the recommendation of the Banks Committee for rehousing the Patent Office near the National Reference Library of Science and Invention in London. This met the requirement for ready access to the foreign patents collection, which would be of growing importance.

Mr. Noble also told a Member, who asked if Mr. Davies would refuse to extend the length of patent coverage on any drug used extensively by the National Health Service when it reached its due expiry date, that extension of the term of a patent was not a matter for the Secretary of State. It was decided by the High Court except in the now very rare case when application for Extension was made to the Comptroller-General of Patents on the ground of war loss.

Sealbeaver project

A question was asked on the efforts made by the DTI to inform the Royal Navy of the

Sealbeaver project's potential in the defence field. Mr. Cranley Onslow, Parliamentary Under-Secretary of State for Aerospace, answered that arrangements for inter-departmental liaison in the marine technology field had ensured that the Ministry of Defence (Navy) had been kept fully informed about the objective and progress of the Sealbeaver project since its inception. The Ministry of Defence had thus had an opportunity to make its own assessment of the sea-bed vehicle's potential.

Mr. Onslow was also asked what efforts had been made by the National Research Development Council to interest other British companies in the Sealbeaver project. He said that the Corporation had made many attempts to interest a number of British companies in continuing development of the Sealbeaver. It was understood, however, that their attempts had so far been unsuccessful.

TUESDAY, AUGUST 1

Imports and exports of meat

Mr. Noble was asked to give information on the weight and value of meat and meat preparations imported and exported in the first six months of 1972; and what were the figures for the comparative period of 1971. He referred the Member to headings 011, 012 and 013 in Table III (imports) and Table VI (exports) of the June 1971 and June 1972 issues of the *Overseas Trade Statistics*.

Industrial development

Mr. Grant answered questions on industrial development in Wales.

Exports of farm animals

A Member who wanted to know the number and value of live farm food animals exported in the first six months of 1972; and the comparable figures for the first six months of 1971, was told by Mr. Noble that 486,000 animals (including 285,000 poultry) valued at £8,827,000 were exported in January to June 1972; corresponding figures for January to June 1971 were 614,000 animals (including 501,000 poultry) valued at £5,073,000.

WEDNESDAY, AUGUST 2

Patent specifications

Mr. Noble was asked what was the total number of specifications received at the Patent Office for the last year for which figures were available and how this figure compared with other major European Centres. He said that during 1970 and 1971 the Patent Office received respectively, 62,101 and 61,078 patent specifications, of which 24,882 in 1970 and 24,383 in 1971 were provisional specifications. During 1970, the last year for which other countries' figures were available, 66,132 applications were filed in the German Federal Republic, 47,283 in France, 31,828 in Italy and 19,109 in the Netherlands.

Jobs in Cardiganshire

Mr. Grant was asked how many new jobs had been created in Cardiganshire in the last two years and how many of these were in manufacturing industry. He regretted that figures for jobs created in Cardiganshire were not available as it was not possible to estimate the number of jobs that might arise in existing industrial buildings and in the service sector. However, in the period July 1, 1970 to June 30, 1972, four Industrial Development Certificates were approved there for developments in manufacturing industry from which the applicants estimated that 31 jobs would arise when the projects were complete and fully manned.

Coatbridge advance factory

A Member asked what steps had been taken to find an occupant for the advance factory at Coatbridge, and what was the approximate date of tenancy and the number of jobs, male and female, expected. Mr. Grant said: 'We have sought to interest a number of firms and some have visited the factory. We are continuing our efforts, but I am unable to indicate the number of jobs that may be provided since this will depend on the nature of whatever undertaking is found to take the tenancy.'

British trade marks

Would the Mathys Committee consider the effect on the value of British Trade marks resulting from British involvement in the Common Market and Community law? asked a Member. Mr. Noble replied that the Committee had invited evidence on all aspects, domestic and international, of trade mark law and would consider evidence on this subject if offered.

In reply to another question, he said the Committee, which met on July 24 for the first time, hoped to report in 1973. Reports of this kind were normally published in full.

North Sea oil

A Member requested the latest estimate of the amount of oil which would be extracted from the North Sea in 1980. Mr. Emery said accurate estimates were impossible because we were still at an early stage of exploration, but there were good hopes of around 75 million tons per annum by about 1980.

THURSDAY, AUGUST 3

Connection charges for electricity and gas

Referring to the recommendations of the Monopolies Commission on the connection charges for electricity and gas, Command Paper No. 5036, a Member asked what general directions had been issued as to when the electricity boards would initiate new methods of assessment of connection charges; and what was the annual revenue produced under the former system criticised by the Commission. Mr. Noble said: 'No general direction has been issued; the Electricity Boards have been asked to implement the majority report. £2,393,000 was recovered by way of receipts from connection charges by the electricity industry in England and Wales in the 12 months ending March 31, 1971.'

South Africa

Mr. Noble, asked what measure of tariff preference on imported goods existed in favour of South Africa, said that South Africa had the same tariff preferences as other countries in the Commonwealth preference area. These were set out in HM Customs and Excise Tariff and Overseas Trade Classification.

FRIDAY, 4 AUGUST

North East Region aid

Asked what was the total amount of financial aid given to private industry in the North East Region under the Local Employment Act during the past five years; and how much additional employment was estimated to have been created as a result of this aid, Mr. Anthony Grant said: 'I regret that information is not readily available in the form requested. But since 1967-68 the value of assistance approved under the Local Employment Acts including Government factory building in Northumberland, Durham and the North Riding of Yorkshire, and the estimated employment associated with this assistance, have been as follows'

	Total assistance offered £000's	Estimated employment
1967-68	9,437	14,688
1968-69	12,963	21,558
1969-70	27,785	29,843
1970-71	22,544	21,002
1971-72	19,576	11,502

Gas meter tests

In reply to a question as to how many gas meter test requests were outstanding on June 30, 1972; and how many of these had been outstanding for periods of more than three months and more than six months, Mr. Peter Emery replied: 'I assume my hon. Friend refers to gas meters whose accuracy has been disputed. There were 874 such meters awaiting examination at Official DTI testing offices on June 30, 1972, none of which had been waiting for more than three months. Information about the periods outstanding between first request for a meter examination and the meter's delivery to a Testing Office could only be provided by the Area Gas Board concerned.'

Electricity meter tests

Another Member wanted to know how many electricity meter test requests were outstanding on June 30, 1972; and how many of these had been outstanding for periods of more than three months and more than six months.

Mr. Peter Emery said that 151 applications for meter dispute determinations were outstanding at June 30, 1972. He added that of these 45 had been outstanding for more than three months and 24 for more than six months. 'Because of the unsatisfactory nature of these figures, steps are already in train to increase the staff on this work in order to reduce the backlog of outstanding cases,' he said.

Reading ECGD office

In reply to a question as to whether a statement would be made about the transfer of the Reading Office of the Export Credit Guarantees Department, including the number of staff the office now employs and the arrangements that will be made if the Reading office is closed, Mr. Michael Noble said: 'Following management studies which were endorsed by the independent review under Mr. D. G. Scholey, ECGD plans to regroup its Regional Organisation into fewer and stronger offices. Under this scheme the Department's Reading Office will close in 1973 and its present burden be shared between strengthened London and Bristol Offices. The present staff of eleven will, in the main, transfer to other ECGD Offices. Two or three clerical staff will seek employment in other Government Offices in Reading.'

Monopolies Commission fire insurance tariffs report

Mr. Michael Noble said that the Monopolies Commission had sent him their report on March 13 and he hoped to publish it 'very shortly' when replying to a question as to when he expected to receive the report on fire insurance tariffs; and whether it is the intention of the Government to have consultations with the industry before its recommendations are made known.

EXPORT FINANCE—4

The functions of the merchant banks

by Ansell Egerton, Director, J. Henry Schroder Wagg & Co. Ltd.

This is the last in a four-part series describing facilities available for financing exports. The first article—on the work of the Export Credits Guarantee Department—appeared in the June 15 issue of *Trade and Industry*, the second—on the Clearing Banks—on June 29 and the third—on the role of export houses, factors, insurers, insurance brokers and credit consultants—on July 6.

THERE are in London at least four main types of bank—clearing banks, merchant banks, London-based overseas banks and foreign banks. The merchant banks are, as a group, the hardest to define. However, when talking about merchant banks and export finance an attempt at a definition can be dispensed with as the subject can be restricted to two functions only—the provision of short term finance for exports by traditional banking means (overdraft, bank loans, acceptance credits); and the provision of medium and long term finance, normally arranged with the support of the Export Credits Guarantee Department (ECGD), for the export of capital or semi-capital goods.

The first type of activity is straightforward commercial banking and engaged in to a greater or lesser degree by most banks, merchant and others, offering commercial banking services. The second is a relatively new development, not much more than 10 years old, engaged in only by a limited number of the many London banks that might claim the title of merchant bank. To be more specific, there are probably not more than a dozen banks active in this field, most if not all of them members of the Accepting Houses Committee, a group of 17 comprising most of the oldest and largest of the merchant banks.

As the first type of activity is probably better known and by no means the preserve of the merchant banks, the rest of this article concentrates on the second, where the merchant banks can probably claim to have made and to continue to make a distinctive contribution and where the nature of their role and the type of service they give might usefully be explained and commented on.

Merchant banks' present involvement in the provision of medium and long term export finance stems primarily from the introduction by ECGD in the early 1960s of the financial guarantee facility. Merchant banks were closely associated with ECGD in devising the new facility and later in adapting and refining it, so that the original facility has now evolved into a range of 'buyer credit' facilities which have been widely emulated abroad and still remain in many respects the envy of our competitors.

Before the introduction of the financial guarantee, medium and long term credit for the export of capital goods was provided essentially through ECGD insured supplier credits. By this method, which continues to operate in parallel to the buyer credit system, credit terms agreed by ECGD are extended by the exporter to the overseas buyer and embodied in the contract of sale between them. The promissory notes or accepted bills of exchange received by the exporter as security for the credit are sold without recourse to his bankers on shipment of the goods, the bankers being covered by a separate guarantee from ECGD against the risk of non-payment. This supplier credit method has two main disadvantages: the exporter is placed in the front line of negotiations with his customer on terms and conditions of finance: and the exporter has to supervise and maintain cover on the credit and potentially bear a proportion of loss for the period until final maturity, which will in the normal course of events be many years after he has discharged his obligations as a supplier. Both these functions—the negotiation of financing terms and supervision of credits—are more normally a banker's task.

Improvement in principle

Buyer credits, of which the original financial guarantee facility was the prototype, although criticised initially for their complexity, were a great improvement in principle and have subsequently been simplified and made more flexible in practice. They differ from supplier credits in that the credit terms agreed by ECGD are embodied in a loan agreement (usually called a financial agreement) between the banker and the borrower, who may be a bank or borrowing institution rather than the buyer, and negotiated directly between the two. ECGD issue to the bank a guarantee covering the bank against non-payment. The export contract is not, as in the case of supplier credits, insured but the exporter receives protection through his contractual rights to draw from the loan in circumstances of default and *force majeure*.

A buyer credit has the additional advantage that provision can be made, subject to the agreement of borrower, for drawings from the loan prior to shipment, thus relieving the exporter of the burden of financing work in progress.

Since the introduction of the financial guarantee the range of buyer credits has been extended. As now developed they fall into three main categories—credits related to a single export contract with a United Kingdom content of not less than £250,000: project lines of credit for the finance of a series of contracts related to a single capital project, for example a steelworks, hydro-electric scheme or urban rapid transit

system: and 'shopping basket' lines of credit, not usually for amounts less than £1 million, providing a single financing facility for a buyer or buyers purchasing a range of capital or semi-capital goods in the United Kingdom.

It is with this range of buyer credits that the merchant banks are primarily concerned: and the measure of their inolvement is that they have been responsible for the negotiation of approximately three-quarters of all the buyer credit facilities so far concluded. Merchant banks may from time to time become involved in supplier credits but normally only in special circumstances—where for example in a particular overseas territory it may be a technically preferable alternative to a buyer credit. Normally supplier credits will be arranged by the exporter in conjunction with his clearing bank. The pattern in the buyer credit field is different, and as between banks there is considerable competition for custom. Certain exporters work only with their company's own clearing or merchant bankers, but the tendency is away from exclusive relationships, with exporters looking for the best service and for 'horses for courses'—that is, for bankers with special knowledge of the type of project or the territory or the overseas customer.

What merchant banks as a class would claim to offer to the capital goods exporter engaged in this kind of business is knowledge of overseas territories, a specialist range of skills, easily tapped, and a disposition to tackle new problems and find solutions. It is academic that some of the merchant banks can claim to have financed their first major capital project in a territory over 150 years ago (classically a railway!) but it is not academic that contacts have been consistent since then. Most have special areas of interest, countries where they have consistently done business and where they may have a subsidiary or associated bank or a permanent representative, or which they regularly visit. Indeed, travelling abroad for up to date assessment of a territory, to maintain contact with customers and to look for new business both for the banks and its United Kingdom based customers, becomes increasingly frequent and extensive; and there are hotels in many capital cities, particularly in the developing countries, where it is never necessary to wait long in the lobby for sight of an arriving or departing London merchant banker (although this is not to imply that there is anything that makes them instantly recognisable).

Twofold importance

The importance to the exporter of this continuing contact is twofold. First the banker's contacts and knowledge of the way things are done in the territory may themselves be useful to the exporter; and even where the exporter himself knows the territory well it is probable that the banker's contacts will be different to and complementary to his own. Second, it is increasingly the case, particularly in developing countries, that buyers' financing requirements go beyond what is available by way of officially supported export credit. The most frequent supplementary requirement is for so-called front-end finance either for the initial down-payments on a contract which credit insurers normally stipulate or for local costs associated with the contract. This front-end finance normally takes the form of a Euro-currency loan and where such finance is required it is important to the exporter that the best possible terms are offered to his potential customer. It is only a bank that is in close contact with a territory that can take a quick decision and that will, if its assessment is satisfactory, be in a position to go to the limit that market conditions justify in support of its United Kingdom customer.

The range of skills that a merchant bank can usually call upon becomes particularly important in the more complex financial negotiations that major export projects can give rise

(*continued on next page*)

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The course also explains the basic principles of passing on information, thus helping those taking the course to implement export procedures within their own organisation.

All applicants should be experienced in clerical work.

Each course lasts five days, and the fee is £28 per place.

Courses are held regularly in England, Scotland and Wales and special arrangements can be made for companies or organizations in their own premises or at a local venue.

For further details and a list of courses already planned, please write to: The Senior Training Officer, (TE4), Department of Employment, Ebury Bridge House, Ebury Bridge Road, London, S.E.1., or to any Regional Office of the Department.

DE Department of Employment

FUNCTIONS OF THE MERCHANT BANKS
continued

to. For example, in the case of turnkey contracts for major new industrial processing plants—refineries, chemical plants, aluminium smelters—the financial package may comprise export credit, possibly from more than one source, Eurocurrency finance, finance raised locally in the territory and perhaps additional finance on concessional terms from a regional or international aid-giving institution. Security for this finance may necessitate the negotiation of long term take-or-pay contracts, mortgages on the plant and property, and guarantees either from the host Government or a Government agency, or from the equity holders singly or jointly and severally. In some cases the buyer may be a company formed for the purpose and there may be a need to find sources of equity finance, with the seller possibly making a contribution. Happily it is not often that all these factors are combined in a single project, but to the extent that they are, a merchant bank is well-placed to assemble the necessary skills, embodied perhaps in two or three or more of its staff, to assist buyer and seller in bringing the project to fruition.

Looking to the future there are two trends one can discern. First merchant banks are likely to become increasingly involved with the organisation on behalf of buyers in developing countries of packages of finance; and second, new methods will emerge for the provision of finance to buyers allowing for purchases in a range of supplier countries. This second likely development is linked to the first and will be accelerated by UK membership of the Common Market. Both these processes will tend to involve the banks more closely with the buyer; but at the same time they should help to make the exporter's task easier by relieving him of involvement in the buyer's financing arrangements. There is, however, little doubt that for most major export contracts it will still be a case of bank and exporter working side by side to produce for the customer joint supply and financing offers on the best possible terms. In this joint activity the merchant banks look for a continuance of their traditional role of assistance to industry in the finance of international trade, a role so closely associated with merchant banks that it must be an element at least in that elusive definition.

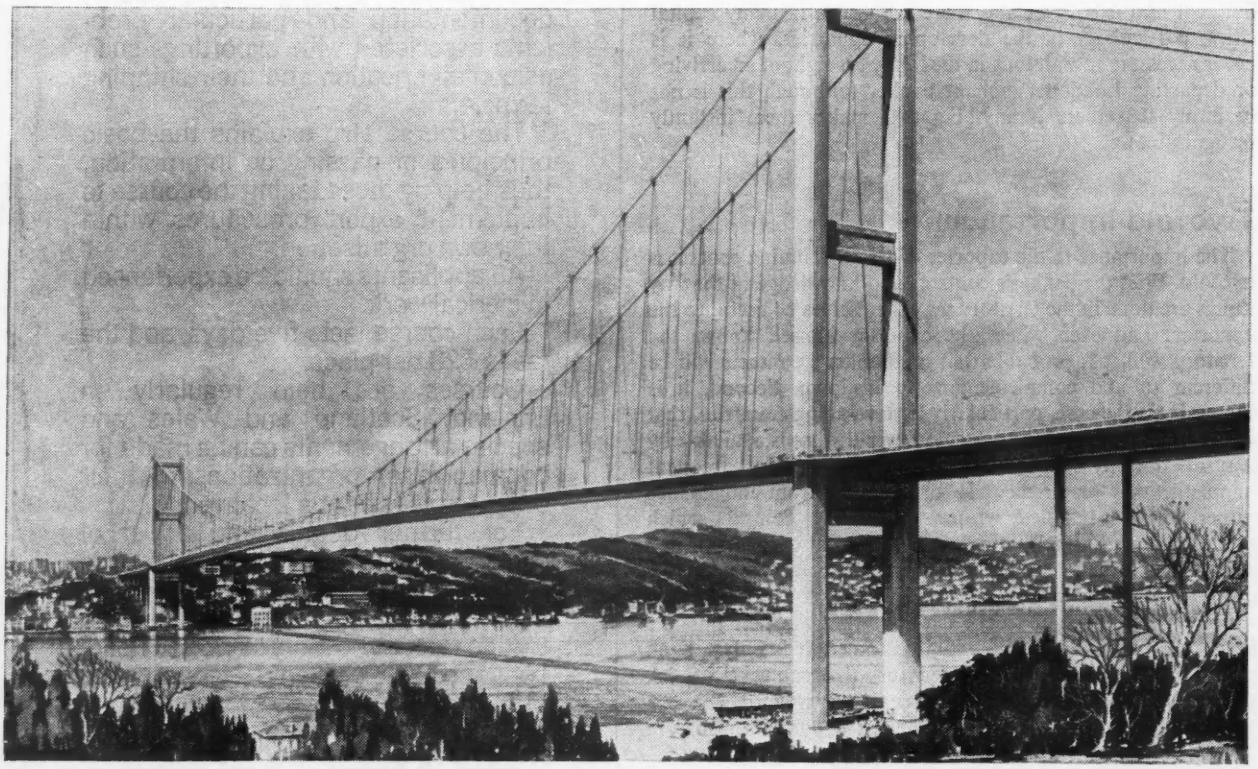
May seminar on Britain and Latin America

FOLDERS containing texts of speeches and discussion at the May seminar on Britain and Latin America held at Lancaster House are now available from the Department of Trade and Industry.

Mr. Joseph Godber, Minister of State at the Foreign and Commonwealth Office, and Mr. Michael Noble, Minister for Trade, presided at the seminar, where most of the 300 participants were leading British businessmen attending by personal invitation. A number of Latin American businessmen were also present, and eight eminent Latin Americans addressed the seminar. The purpose of the seminar was to draw the attention of British industry to the pace and extent of recent development in Latin America, with the consequent opportunities for increased trade and investment, and to demonstrate that Britain's entry into the EEC in no way affected the desire for continuing good relations with Latin America. A limited number of the folders are available from Commercial Relations and Export Division, Room 355, 1 Victoria Street, SW1H 0ET (tel: 01-222 7877, ext. 2287).

Anglo-Romanian trade

THE name of the author was inadvertently omitted from the article *Anglo-Romanian trade—thriving and with growth potential*, published on page 202 of the August 3 issue of *Trade and Industry*. The feature was written by R. M. Russell, Commercial Counsellor, British Embassy, Bucharest.



An artist's impression of the completed Bosporus Bridge, which is taking shape at Istanbul, Turkey. The bridge—the first to link Europe and Asia—is being constructed by Cleveland Bridge and Engineering Co. Ltd., of Darlington, and Hochtief A.G. of Essen, West Germany, under a £14 million contract, with Cleveland Bridge responsible for about 80 per cent of the contract value. The new suspension bridge will have the longest span in Europe and the fourth longest in the world. Overall length will be 5,320 feet. British consulting engineers Freeman Fox and Partners designed the bridge, which is to have six traffic lanes.

All firms regardless of size can apply

Units with less than 200 employees received over 25% of the Awards granted this year.

The 1973 Awards will be made to those U.K. based firms or organisations producing goods or providing a service which can show, for their size, the most outstanding achievement in increasing exports or in technological innovation.

The eighth annual list of Award winners will be announced on The Queen's personal birthday, 21st April, 1973.

For full information about eligibility, application forms and guidance notes, get in touch with The Secretary, The Office of The Queen's Award to Industry, 1 Victoria Street, London, SW1H 0ET. Telephone 01-222 2277. Telex 27366.

The closing date for applications is 31st October, 1972.

MISSIONS and TOURS

Mining experts from Australia, Canada and South Africa on trade visit

ONE of the largest inward trade missions—30 mining experts from Australia, Canada and South Africa—began a two week trade visit to Britain on August 6.

The mission has divided into four separate groups to meet leading British manufacturers of mining equipment and to see mining operations for coal and other products throughout Britain and Ireland. In particular, the parties will be seeing the National Coal Board's pits and the work of private (non-coal) mining companies, together with treatment and processing plant. There will also be a visit to the Mining Research and Development Establishment at Bretby, near Derby.

On August 18, the full mission will attend the opening ceremony of the International Mining Exhibition at Olympia, London.

The visit is under the auspices of the British Overseas Trade Board in conjunction with the Association of British Mining Equipment Exporters.

North America target for agricultural engineers

FOLLOWING the successful trade mission to North America last January, the Agricultural Engineers Association is to sponsor a similar mission to the United States from November 11—27.

Delegates will first attend the FEWA (Farm Equipment Wholesalers Association) five-day annual convention at Atlanta, Georgia from November 12-17. They will then disperse to follow their own programme from November 17-27.

Director-General of Iraqi Railways on fact-finding tour

A RECENT visitor to Stone-Platt Crawler Ltd. was the Director-General of Iraqi Republican Railways, Mr. A. J. Al-Saadi. Mr. Al-Saadi and a colleague, Mr. Walid Safwat, discussed future air-conditioning developments with marketing engineering executives of the company and saw equipment being made similar to that supplied by the company last year for Iraqi Railways under a £480,000 contract.

Students from Algeria's National College of Administration, specialising in economics and finance, recently visited EMI's Hayes, Middlesex, factory complex. After touring a number of electronics divisions, the party was given briefings on the modern methods used by the company for accounting and finance. The students are pictured at the ICL System 4 computer installation which is used for preparing payrolls, store records and accounts for the entire EMI group in the United Kingdom.

Manchester–Geneva air Service inaugurated

THE inauguration of the thrice weekly direct air service from Manchester to Geneva operated by BEA took place recently in Geneva. Headed by the Lord Mayor of Manchester, Alderman Edward Grant, accompanied by the Lady Mayoress and Captain James (BEA Executive Board member), the official delegation, which included Manchester businessmen, was welcomed at Geneva's Cointrin Airport by the Lady Mayor of Geneva, Madame Lise Girardin, and HM Consul-General, Mr. L. J. Evans.

The visit was spent in making numerous civic and business contacts. Discussions with the Geneva Chamber of Commerce were held by Mr. J. Goldstone, chairman of the North-West Region of the Chamber of Commerce Council and Mr. G. N. Hague, president of the Manchester Chamber of Commerce. These provided a useful and stimulating exchange of views on the trading opportunities open to British and Swiss firms in their respective areas for whom the Manchester-Geneva air service now provides a direct and speedy channel of personal communication.

Talks were also held with the representatives of various British banks and merchant banks established in Geneva to inform them of the investment and development possibilities open to Swiss firms wishing to establish themselves or to open subsidiaries in the Manchester area.

The reciprocal inaugural flight visit from Geneva to Manchester will take place in September. The official Geneva delegation will be headed by the Lady Mayor of Geneva and will include representatives of Swiss banks and firms in Geneva who are directly interested in the promotion of industrial and commercial links with the North-West area of England.

The work of BSI

The British Standards Institution is the official standards organisation for this country and is very active in removing technical barriers to trade through international standards organisation such as ISO and IEC. BSI has several other functions. It runs certification and approval schemes, among them granting licences to manufacturers to use the 'Kitemark' on products conforming to British Standards. It also undertakes testing work for outside bodies and, through the Technical Help to Exporters Scheme, provides information on technical requirements and approvals procedures in overseas markets. BSI, 2 Park Street, London W1A 2BS.

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EXPORT ORDERS

£1 million turbine generator deal

C. A. Parsons & Co. Ltd., a member of the Reyrolle Parsons Group is to supply a third 30,000kW turbine generator to the Electricity Authority of Cyprus for the Authority's Moni Power Station, eight miles from Limassol. In placing this latest order the Authority is exercising an option it has held since February this year when it ordered the second set.

The contract, valued at over £1 million, includes feed-heating and condensing plant, and also the associated generator transformer which will connect the generator to the Authority's 132kV transmission system.

The set, which is similar to the two previously ordered, consists of a two cylinder turbine with steam conditions of 900 lb/in² and 900°F, directly coupled to an air-cooled 3,000 rev/min 11kV generator. Commercial operation of the set is scheduled for June 1975.

The generator transformer is being supplied by another Group company, Parsons Peebles of Edinburgh.

Studio lamps for Olympic Games television coverage

GEC (Lamps & Lighting) Ltd., has supplied lamps for television studio lighting to Bayerischer Rundfunck—the Munich television station responsible for providing visual communication facilities for worldwide television companies covering the 1972 Olympic Games.

The lamps supplied include the 1000 watt Quartz Halogen CP/40, and the 2kW Hardglass CP/42. Developed and manufactured at GEC's Wembley, Middlesex, Lamp Works, the lamps provide the basic requirements of more light for colour television transmission, with constant colour temperature through life.

Root vegetable sizer/grader exported to Russia

A giant grading machine, which sorts carrots and other root vegetables into four different sizes at the rate of 7½ tons per hour, left the FMC Corporation factory at Fakenham recently on its way to the Soviet Union.

The FMC Grader/Sizer, which cost nearly £3,700, is to be used for sorting carrots into three diameters.

£¾ million South Korean cranes business

Herbert Morris Ltd., Loughborough, recently announced that it had been awarded a £¾ million contract for the supply of cranes to the new supertanker shipyard now under construction in South Korea for Hyundai Construction Co. Ltd.

The project will be one of the largest and most advanced shipyards in the world, and the consultants for the project are A. and P. Appledore International.

The cranes to be supplied by Morris include 14 magnet cranes of which 12 are of an advanced design of limited swing crane for handling large steel plates. Morris is also to supply components for a number of cranes whose manufacture will be completed in Korea using Morris technical advisors.

The order, which was obtained in the face of strong European competition, includes the supply of some five miles of gantry rail on which the Morris cranes will operate.

Stothert and Pitt win £90,000 USSR pump contract

Stothert and Pitt of Bath, Somerset, has been awarded a contract worth £90,000 to supply 35 screw pumps to the USSR. Of these, 33 are being supplied to the Department of Oil Distribution. The other two are for marine application. The capacity of each pump is 300 cm/h against 10 atmospheres.

The contract was awarded by Machino Import, the Soviet Government's buying agency, and follows a recent visit to Moscow by Mr. Leslie Coles, commercial manager of Stothert and Pitt's Pump Group, and Mr. Ray Goodridge, the group's chief engineer.

Poland selects British biscuit plant

A £300,000 order has been placed with Simon-Vicars Ltd., Newton-le-Willows, by the Polish import company Polimex-Cekop. This is the first major contract that Simon-Vicars has received from Poland and follows negotiations lasting almost five years.

The equipment, for which Simon-Vicars will be responsible for the design, supply, erection and commissioning, will be supplied to the biscuit 'San' factory in Jaroslaw and includes a high-speed mixer Mark 2—the first installation of its kind in Poland—dough forming equipment, baking ovens and biscuit handling equipment.

Also included in the contract will be ingredient storage and handling plant to be supplied by Simon Food Engineering, a division of Henry Simon Ltd.

The contract is expected to be completed by mid-1973. Simon-Vicars and Henry Simon are Simon Engineering companies.

Good business from the Middle East, Africa and Far East

Export orders for petrol pumps worth over £125,000 were one item in the total overseas sales order book received in June by Avery-Hardoll Ltd., Havant, Hants. In addition to significant orders from Europe for the Avery-Hardoll electronic self-service equipment, the bulk of the business came from the Middle East, Africa and the Far East.

The largest single order was placed on behalf of Shell Nigeria. These particular petrol pumps are to be supplied in a new colour scheme designed to give Shell pumps a distinctive and easily identified grade image.

British built electronic detectors for Japanese production

Teledictor Ltd, a Duport Group company, of Tipton, Staffs., is exporting electronic non-destructive testing equipment to Japan for use in the Japanese motor and general engineering industries.

The equipment, designed and manufactured by the Tipton company which is now one of the leaders in its field, include ferrous segregators, conveyor units and crack detectors used to detect unsafe and 'unseen' cracks in vital components such as vehicle steering rods and linkages.

Steel contract won in face of strong competition

Unbrako Steel Co. Ltd. of Kiveton, Sheffield, has obtained an order from the US for £100,000 worth of high-quality alloy steel rod. This material will be utilised by an American-based associate company in the SPS (USA) Group for the manufacture of threaded fastener products.

The order, which was secured in the face of strong competition from steel mills in the US, stemmed from a sudden upsurge in product demand within the American fastener market. The contract was awarded to the Kiveton company on the strength of Unbrako Steel's firm undertaking to supply the fastener material at short notice.

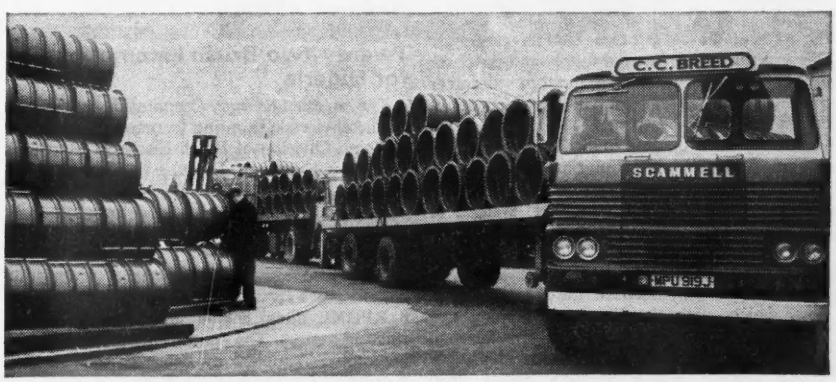
Nearly £44,000 worth of parking meters shipped to Hong Kong

AMF Venner recently despatched a shipment of parking meters valued at £43,900 to Hong Kong. These meters are export models of the company's Park-O-Meter, which has become a familiar feature of streets and car parks in many British towns. They are adjusted to accept local coinage and carry special bilingual labelling in English and Chinese.

Quantity production of the Park-O-Meter tailored for use in overseas countries is no novelty to AMF Venner, who have exported meters to more than 20 countries in Europe, Africa, Asia, Australasia and the West Indies. In addition to coinage and language, variations in traffic regulations must also be catered for, and are accommodated by the flexibility of the initial design.

Busbar for Singapore project

An export order for a busbar trunking system for installation in a project in Singapore has been placed with Barduct Ltd. of Basingstoke, Hants., a member of the Marryat Group. The order, which involves the newly introduced 400A Barduct system, was negotiated by Messrs. Bolter and Simon, Barduct's agents in Singapore, and involves a total of 588 feet of busbar runs. The system is exceptionally compact, and is housed in all-insulated trunking.



Viking Johnson couplings for a new water supply system in northern Iran leave on the first part of their journey from the Hitchin, Herts, works of the Victaulic Company, a member of the British Steel Corporation's Tubes Division.

Exhibition call leads to vacuum switchboard deal

Following the recent successful introduction of its vacuum contactor switchboards at Electrex '72, MTE Systems Ltd., Wolverhampton, has received an order from Tecnimetra of Lisbon for the supply of a multi-tier Tactor-Vac high voltage switchboard.

This order is the direct result of the visit to the MTE stand at Electrex '72 by Tecnimetra who had no previous contract with MTE Systems Ltd.

Tactor-Vac is a space saving range of modular switchboards incorporating the benefits of vacuum switching with the use of the new Super-Vac contactors which are capable of handling up to 7.2 kV at 400 A.

Automatic biscuit making plant for Panama City

Productos Alimenticios Pascual SA, of Panama City, recently placed a contract with Baker Perkins for an automatic biscuit making plant. This will be shipped this year and will consist of mixing, dough feeding, laminating and other ancillary equipment.

Helping to solve a milking problem

For the second time, Brentford Electric of Crawley, Sussex (a member of the GHP Group), has been awarded a contract to supply precision voltage stabilising equipment for Australia's milking industry.

The latest contract calls for a 1,250 kVA, 11 kV stepless on-load voltage line regulator to be supplied to Oxley County Council, New South Wales in an attempt to eliminate recurring power failures at milking time in Wauchope rural community.

Without the Brentford transforming equipment, the Wauchope community would be in regular danger of losing power supplies as demand for power from the hundreds of milking and chilling machines soared during the twice daily milking sessions.

Demand for power during milking is so great that voltage drops of up to 15 per cent are commonplace. The Brentford Electric equipment stabilises this incoming voltage to within + or − one per cent. The unit features five per cent overcompounding for line drop compensation.

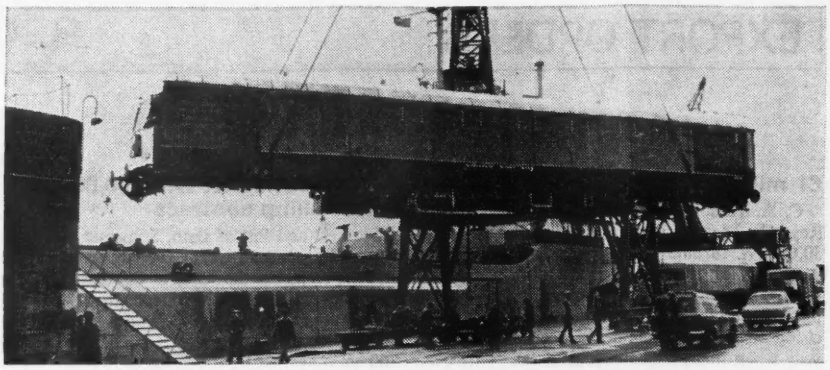
Australian National Line sign for £300,000 computer

Australian National Line, a shipping company based in Melbourne, has signed a contract for a Honeywell Series 2000 computer system valued at about £300,000.

Initially, ANL will use the system to control the central booking office for its passenger ships, to rationalise internal supply-and-purchase accounting systems and to monitor container movements in Australasia. The passenger application will take the form of an on-line reservation system providing immediate response to booking and scheduling inquiries.

Eventually a direct hook-up will be established between ANL's computer system in Melbourne and that currently installed at the headquarters of K Line of Japan. This will enable direct transmission of cargo and container information between the two organisations which, with the Flanders Shipping Co. of Melbourne, operate the Eastern Searoad Service in the Australia-Japan trade area.

The system, incorporating a model 2050 computer and a Datanet 2000 communications processor, will be manufactured at Honeywell's Newhouse, Lanarkshire, factory.



Shipment to Liberia of five inter-city diesel rail coaches was handled recently by Constantine Forwarding Ltd. The coaches, each 65 ft. long and weighing 38 tons, were delivered by British Rail to Leith Docks where they were loaded on the bulk carrier Adak, *which had been diverted to undertake the delivery to Liberia.*

Milling equipment for Nigeria

Henry Simon Ltd., Stockport, is to supply and commission machinery and accessories valued at £427,000 for a new £1.5 million flour milling complex being built in Nigeria.

The equipment, for Life Flour Mill Ltd., Sapele, will have a capacity of 180 tons of wheat a day and will include wheat intake and cleaning plant and facilities for the bulk handling and packing of finished products.

The order, received from the Taylor Woodrow Group who are responsible for the design and construction of the mill, is expected to be completed towards the end of the year.

The majority stock of Life Flour Mill is owned by Seaboard Overseas Limited, a division of Seaboard Allied Milling Corporation of Kansas City for whom Henry Simon installed machinery in their mill in Sierra Leone in 1968.

Henry Simon is a Simon Engineering company.

'Biggest brakes for Europe's largest truck'

Two European export orders announced on August 1, by Centrax Gears Ltd., of Newton Abbot, mean that the company will be supplying what is claimed to be the biggest brake unit made in Europe for installation in the largest production dumper vehicle produced in Europe.

The first order, from Faun Werke, West Germany, is for 3 in. × 12 in. twin wedge self-adjusting brakes, which were selected by Faun after extensive prototype trials. They are for use on a 147 metric ton (gross vehicle weight) dumper with a payload of 80 tons.

The second order—for 26 in. × 8 in. twin wedge self-adjusting brakes—is from AB Hägglund-Söner, Ornsköldsvik, Sweden, manufacturers of road vehicles and off-highway vehicles for the construction industry.

Twenty-two Brush locomotives for Nigeria

The Nigerian Railway Corporation has ordered 22 diesel-electric shunting locomotives from the Traction Division of Brush Electrical Machines Ltd., Loughborough, Leics., a Hawker Siddeley Electric company.

Deliveries of the 400 hp 0-6-0 locomotives is scheduled at the rate of one a week from May, 1973.

Each locomotive incorporates a power unit comprising a Brush generator and a Paxman 8 RPHXL diesel engine supplying two Brush traction motors. The design is similar to that of locomotives supplied by Brush to the Western Australian Government Railways.

This order brings the total value of rail traction contracts at present being carried out by Brush to £9½ million.

Niplas cable powers floating dock in Hong Kong

A (6.6 KV) Niplas sheathed cable supplied by Greengate Cables Ltd., a member of the Allied Polymer Group, is being used to supply power from an on-shore electricity sub-station to a new floating dock moored in Hong Kong harbour.

In order to prevent damage by typhoons, which can strike at any time between June and October, and at the same time prevent any shipping hazard, the cable is laid on the harbour bed. A concrete sinker, lined with rubber to prevent the cable chafing, was used to keep the cable in position. Any slack in the cable, which may occur as the dock moves with the tides, is taken up by an accumulator on the side of the dock. The Niplas sheath, a blend of acrylonitrile/butadiene/PVC developed by research staff at Greengate Cables, is resistant to water, oil, fire, chemicals and is not affected by marine growth.

The dock, which belongs to the Taikoo Dockyard and Engineering Co. of Hong Kong Ltd., can handle ships up to 25,000 tons dwt. and offers comprehensive workshop and repair facilities. In the event of a typhoon warning the dock including the cable can be sunk to the bottom of the harbour until the storm passes.

£100,000 contract for hollow bar

A £100,000 order for Desford hollow bar has been received from an American company for manufacturing hollow components.

The contract has been won by TI Desford Tubes Ltd., a TI Steel Tube Division company of Desford, Leicestershire. Shipments will be made in open top containers from Manchester to Montreal with feed liners delivering the bar to its final destination.

Because Desford hollow bar is supplied in a size manufactured within close tolerances to a customer's specification, machining on the outside diameter and the bore is reduced to the minimum. The hollow bar for this order is being supplied in low carbon form and measures 3.902 in. (99.11 mm) outside diameter. Of particular significance to an export order is the weight reduction over solid bar, which reduces transport costs.

Output of Desford hollow bar for general engineering and machining applications, as well as steel tube for the manufacture of bearing races, from TI Desford, will shortly be increased by 50 per cent by a £9 million expansion scheme now in hand. The company produces a wide range of hollow steel bar which is available from stockists or direct from the company depending on quantity, size and specification required.

Origin marking of imported goods

FROM December 29, 1972, it will be an offence for any person, in the course of a trade or business, to supply or offer to supply goods manufactured or produced outside the United Kingdom which bear a United Kingdom name or mark (or any name or mark likely to be taken for a United Kingdom name or mark) unless the name or mark is accompanied by a conspicuous indication of the country of origin. However, this requirement of the Trade Descriptions Act 1972 does not apply to a name or mark which is neither visible when the goods are supplied or offered for supply nor likely to become visible on any reasonable inspection of the goods by a prospective purchaser. Nor does it apply to advertisements or to secondhand goods.

The purpose of the new Act, which was introduced as a Private Member's Bill by John Peel MP and supported by the Government, is to ensure that the public is not misled by the use of United Kingdom names or marks into believing that imported goods were made in the United Kingdom.

A United Kingdom name or mark is defined as:

(*a*) the name of any person carrying on a trade or business in the United Kingdom;
(*b*) the name of any part of, or area, place, or geographical feature in, the United Kingdom;
(*c*) a trade mark of which a person carrying on a trade or business in the United Kingdom is the proprietor or registered user; and
(*d*) a certification trade mark of which a person in the United Kingdom is the proprietor.

The Secretary of State for Trade and Industry may give directions for excluding or relaxing the marking requirements in relation to goods of any description if he is satisfied that to do so would not materially impair the interests of persons in the United Kingdom to whom those goods may be supplied. Such exclusion or relaxation may be confined to a particular type of supply (eg wholesale, retail or export) and may be given for a limited time or indefinitely and may be withdrawn or varied.

It is expected that a number of directions will be made. Relaxations might be made, for example, to meet the short-term problems of suppliers who hold stocks of goods with markings which cannot readily be altered to conform with the new law. In other cases, such as blends or mixtures of produce originating in a number of different countries, it may not be practicable or even possible to state the precise countries of origin and it may be necessary to allow the use of the words 'foreign' or 'imported' instead.

The new Act is to be read with the Trade Descriptions Act 1968 and enforcement will be carried out by local weights and measures authorities.

For the purposes of the trade descriptions legislation, the country of origin is the country in which the goods last underwent a treatment or process resulting in a substantial change.

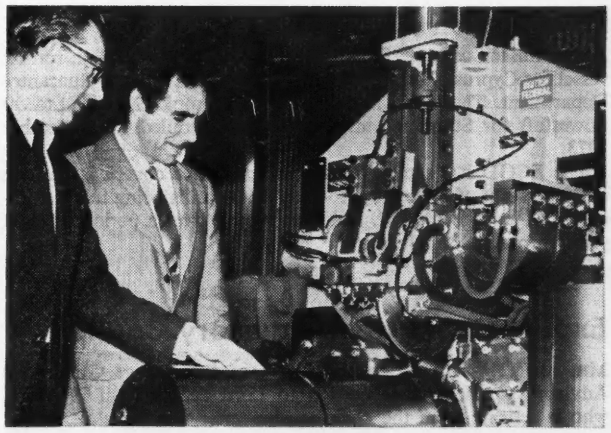
A name or mark is applied to goods if it is affixed or annexed to or marked on the goods themselves, on anything in, on or with which the goods are placed.

The Act does not require the indication of origin to be made at the time of import, but only when the goods are supplied or offered for supply in the United Kingdom. Nor does it specify how the country of origin is to be marked; this can be done in any manner convenient to the supplier provided that it accompanies the United Kingdom name or mark and is conspicuous.

In addition to the defences provided in Section 24 of the 1968 Act, two additional defences are provided. Where a person is charged with an offence under the new Act it shall be a defence for him to prove:

(*a*) that the name or mark had not been applied by him and that he did not know and could not with reasonable diligence have ascertained that the goods were manufactured or produced outside the United Kingdom; or
(*b*) that he did not know, and had no reason to believe, that the name or mark was or was likely to be taken for a United Kingdom name or mark.

Inquiries about the new Act should be addressed to the Department of Trade and Industry, Industrial and Commercial Policy Division 3C, 1 Victoria Street, London SW1H 0ET.



Mr. A. P. Shahabi (right), of the National Iranian Oil Company, and Mr. J. W. Cockle, sales director of British Federal Welder and Machine Co. Ltd., of Dudley, Worcs., examine pail container bodies being produced on a fully automatic forming and seam welding machine undergoing final acceptance tests. It is one of two machines, valued at more than £50,000, which will be installed in an automatic plant being supplied by Moon Bros., of Birkenhead to the National Iranian Oil Company in Tehran.

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Export Credits Guarantee Department

Railway freight wagons for Yugoslavia

THE Export Credits Guarantee Department has signed a financial guarantee covering a sterling loan by Williams & Glyn's Bank Ltd. to finance the supply by BRE-Metro Ltd. of 800 railway freight wagons to Zeljeznicko Transportno Poduzece Zagreb (the Croatian Railways) in Yugoslavia.

The wagons will be built by British Rail Engineering Ltd. at its Ashford works, mounted on bogies manufactured in Yugoslavia, and delivered to ZTP at Dunkirk. The total contract value is £6½ million.

The loan for the UK portion amounts to nearly £4 million repayable over eight years from delivery, which is scheduled for 12 months beginning April 1973. Williams & Glyn's are also participating in a Eurodollar loan to be provided by a syndicate of banks led by Bankers Trust Company in London to finance the supply of the Yugoslav bogies.

Capital equipment for Israel

ISRAEL will be able to purchase British capital equipment and associated services to the value of £1 million over the next 12 months under a Line of Credit being made available by N. M. Rothschild and Sons Ltd. and guaranteed by the Export Credits Guarantee Department. The rate of interest on loans under this credit is 6 per cent per annum.

Under the credit, negotiated with Otsar La'Taasiya Ltd., a wholly owned subsidiary of Bank Leumi le Israel B.M., Israeli buyers can place orders in the United Kingdom for capital equipment and associated services for the development of Israeli industries. Anglo-Israel Bank Ltd., London, also a subsidiary of Bank Leumi, who are parties to the financial agreement, are acting as managers and trustee under the terms of the agreement and will deal with day-to-day handling of suppliers' contracts.

Exporters requiring further information about the credit sould approach Anglo-Israel Bank Ltd. (Mr. M. P. Levene) tel. 01-248 7712, or the Export Credits Guarantee Department (Mr. I. B. Bonnett) tel. 01-606 6699, ext. 7302.

Roll-on/roll-off vessel for Cyprus

A £1.4 million contract for a British-built heavy lift roll-on/roll-off vessel for Cyprus is being backed by the Export Credits Guarantee Department. The vessel is to be built by Brooke Marine Ltd. at Lowestoft for Starman Ltd. Delivery is scheduled for December 1973.

The ECGD has signed a financial guarantee covering the loan of 80 per cent of the contract value. The loan is being made available by Lloyds Bank Ltd. and is repayable over a period of eight years from date of delivery.

Export Guarantees Advisory Council

MR. M. T. Wilson, to be chairman of the Export Guarantees Advisory Council, in succession to Lord Seebohm of Hertford, who is retiring from the chairmanship after five years' service.

Mr. Wilson, director and chief general manager of Lloyds Bank Ltd., has been deputy chairman of the Council since July 1971. He also succeeds Lord Seebohm as chairman of the recently appointed Investment Insurance Advisory Committee.

Hints to Business men booklets

REVISED editions of the booklets on Colombia, Ecuador, Fiji, Greece, The Gambia, Jordan, Guatemala, Norway, Philippines, Turkey and Yugoslavia have been published in the 'Hints to business men' series. British business men who intend visiting these countries on export business can obtain copies of the booklets on application to Export Services Division, Department of Trade and Industry, Room D24, Export House, 50 Ludgate Hill, London EC4M 7HU (tel. 01-248 5757 ext. 7146) or to any Regional Office of the Department of Trade and Industry.

In many cases further information on the notices published on these pages is available from the Department of Trade and Industry. The main branches concerned are: Commercial Relations and Exports (CRE) Division, DTI, 1 Victoria Street, London SW1H 0ET (Tel: 01-222 7877); and Export Services Division (ESD) and Export Data Branch (EDB), both at DTI, Export House, 50 Ludgate Hill, London EC4M 7HU (Tel: 01-248 5757). In each case, the relevant information source is indicated at the end of the notice by its initials (CRE, ESD or EDB) and the appropriate telephone extension number. In the Tariff and Trade Notices section countries are grouped by continents as far as possible; they are listed alphabetically on the contents page.

Applications for temporary exemption from import duty

THE Department of Trade and Industry is considering applications for the temporary exemption from import duty of the materials listed below on the grounds that these materials are not made in this country or the Commonwealth or the supply available from these sources is not substantial having regard to the existing United Kingdom demand.

Representations are invited from manufacturers in this country or agents of Commonwealth manufacturers who consider they are, or will be within a reasonable period, in a position to supply a substantial proportion of the United Kingdom demand for these materials, or who are interested in their future production.

Temporary exemptions come into effect on the operative date of the Treasury Order in which the materials are specified and normally continue until the end of the current calender year, when they are reviewed.

Interested parties who wish to make representations should address them to Tariff Division, Department of Trade and Industry, Kingsgate House, 66-74 Victoria Street, London, SW1E 6SJ, preferably through a Trade Association, giving the respective reference shown below and stating whether their names may be passed to the applicants for temporary exemption. Representations should be received by August 24.

Tariff heading	Proposed definition for tariff purposes	Applied for as	Exemption required until	Reference
29.08	Benzyl *iso*pentyl ether	as in previous column	December 31, 1972	13941
29.13	Fluorenone	as in previous column	December 31, 1972	11323
29.22	2,6-Xylidine	as in previous column	December 31, 1972	12794
29.23	Oxyfedrine hydrochloride	as in previous column	December 31, 1972	13947
29.33	Thiomersal	as in previous column	December 31, 1972	13953
29.35	(-)-1-*tert*Butylamino-3-(4-morpholino-1,2,5-thiadiazol-3-yloxy)propan-2-ol	as in previous column	December 31, 1972	13952
29.39	Dimethisterone	as in previous column	December 31, 1972	13945
39.01	Poly(ethylene terephthalate) in the forms covered by Note 3(b) of Chapter 39, containing not less than 1.5 per cent by weight and not more than 3.5 per cent by weight of carbon black	Poly(ethylene terephthalate) as defined in Annex A	December 31, 1972	13833

Italy and Hungary

The Italian *Informazioni per il Commercio Estero* of June 28 published details of the trade protocol, signed on June 5, between Italy and Hungary and set out particulars and amounts of the quotas to be exchanged between the two countries for 1972. Details, including the commodity lists (in Italian), are available on application to Tariff Section, Export Data Branch. **EDB ext 466/467/482**

France and Bulgaria

THE French *Moniteur du Commerce International* of July 6 published details of the protocol, signed on June 22, to the Long-Term Trade Agreement of 1970-74 between France and Bulgaria. The protocol sets out particulars and quota amounts of Bulgarian exports to France for 1972. These include sheep, fruit and vegetables, other agricultural products, chemical products, artificial and synthetic yarns, fabrics and clothes, ceramic products, mechanical and electrical equipment and spare parts. Copies of the French text can be sent on request or seen at Export House. **EDB ext. 423/408/288**

TARIFF & TRADE NOTICES

Details of European Communities legislation which formerly appeared on this page are now published in the European Communities Section of the journal.

Belgium

POULTRY MEAT: The *Moniteur Belge* of October 30, 1970, published a royal decree introducing new veterinary inspection requirements for poultry slaughtered or offered for sale in Belgium. The date of entry into force of the decree was originally fixed as November 1, 1971, but was subsequently put forward to November 1, 1972. The decree provides for more stringent inspection requirements, including visual examination of poultry before slaughter and detailed inspection of each carcase after slaughter. Imported poultry must be accompanied by a sanitary certificate which in effect must declare that the individual birds in any consignment have been inspected in the country of their slaughter in conformity with the new Belgium procedures. **EDB ext. 288/7175/408/423**

France

IMPORT REGULATIONS FOR MEAT: The French *Journal Officiel* of July 18 announced that the following establishment should be added to the list of abattoirs in Northern Ireland inspected and approved by the competent authorities.

Name and address	Approval no.
Ulster Meats Ltd. Annesborough, Craigavon, Co. Armagh	NI 18

Copies of the French text can be sent on request or seen at Export House. **EDB ext. 423/408/288**

STANDARDS FOR LIFE-JACKETS: The French *Journal Officiel* of July 20 published an *arrêté* establishing the specifications required for approval of life-jackets and safety harnesses to be used on pleasure craft of less than 25 metres. The rulings cover aspects of design and construction, the acceptable colour, the marking of manufacturer's or importer's name and date of manufacture. Copies of the French text can be sent on request or seen at Export House. **EBB ext. 423/408/288**

Portugal

DRAWBACK: WOVEN FABRICS COVERED WITH ARTIFICIAL PLASTIC MATERIALS: Portuguese *Diario do Governo* No. 163, First Series, of July 14, published Order 384/72 which authorised the import under drawback of woven fabrics covered with artificial plastic materials for the production of uppers for footwear to be exported under the same system. The percentages to be used in calculating the refund of duties, and all other conditions of application, will be regulated in each case by ministerial order. **EDB ext. 460/461**

Greece

IMPORT OF PLANTS AND VEGETABLES: It has been announced in the Greek *Official Gazette* that imports of plants, plant products and vegetables must be accompanied by a sanitary certificate issued in the country of origin. If there is any doubt about the condition of these products samples will be sent for inspection at the Greek Customs House. Full details, in Greek, are available on request. **EDB ext. 420/475**

The lists of Tariff, Customs and Import Regulations changes in overseas countries published in this section of *Trade and Industry* sometimes contain words which are registered trade marks in the United Kingdom. So far as is practicable, all lists of goods are checked before publication from this point of view. Items which fall into this category are preceded by the letters rtm. Readers should note that this prefix signifies that the words are registered as trade marks in the United Kingdom but that in the present context are assumed to refer generally to products of the descriptions stated in brackets. While every attempt will be made to ensure that the scrutiny is complete, the lists may contain other words which are registered as trade marks in the United Kingdom or in other countries but which it has not been possible to identify.

Austria

TEMPORARY REDUCTION IN IMPORT DUTY: The import duty on certain goods under BN 85.15C, for which temporary reduced rates were already in force, have been further reduced as follows:

ex 85.15.C1	Other radio-broadcasting receivers: wired or circuited chassis and completely or partially fitted printed circuits therefor	20.5% (previously 22.5%)
ex 85.15.C2	Other black and white TV sets: wired or circuited, etc.	20.5% (previously 22.5%)
ex 85.15.C2	Other colour television sets: wired or circuited chassis and completely or partially fitted printed circuits therefor	27.5% (previously 32%)

EDB ext. 461/460

Spain

DUTY-FREE IMPORT QUOTA—NAVAL SHEETS: In the *State Gazette* of July 31 the Spanish authorities announced a duty-free quota for 27,000 tons of naval sheets (tariff heading 73.13-D.1.a) valid until December 31, 1972. **EDB ext. 462/471/472/473**

IMPORT DUTY SUSPENSION: The Spanish *State Gazette* of July 31 published the suspension of import duty until October 31, 1972 on the following:

Tariff no.	Description
03.01-A	Tunny and other tunas, frozen
03.02-A	Cod fish
09.01-A	Coffee, not roasted
12.01-B.3	Soya beans
12.03	Seeds, fruit and spores of a kind used for sowing:
12.03-B.2	Sainfoin, lucerne, bent-grass, phalaris, orchard-grass and fescue seeds
12.03-B.3	Aubergine, onion, bean, melon and water melon seeds
12.03-B.4	Clover, vetch, cabbage, tomato, cauliflower and capsicum seeds
12.03-B.5	Sugar-beet seeds

EDB ext. 462/471/472/473

Yugoslavia

IMPORT CONTROLS: It has been announced by the Yugoslav Federal Secretariat for Foreign Trade that with effect from June 9 certain goods require prior approval before they may be imported. These are in addition to the list of nearly 100 items published in *Trade and Industry* on March 16. The new controls do not apply to transactions concluded or reported to the bank up to June 9. Tariff numbers affected are:

02.06/2c	05.07/1	48.03/2b	48.21/6a	69.08
04.06	24.02/2	48.05/2	68.02	85.08/4
05.04/1a	25.22	48.13/1	69.07	

EDB ext. 420/475

(*continued on next page*)

YUGOSLAVIA

continued

REDUCTION OF IMPORT DUTY ON RAW MATERIALS, PRIMARY PRODUCTS AND MANUFACTURING COMPONENTS IN 1972: It was announced in the Yugoslav *Official Gazette* No. 30 of June 15, that with effect from June 16 the rates of import duty would be reduced on certain raw materials, primary products and manufacturing components. Tariff numbers affected and new rates of duty are:

04.03/1	Free	23.01/2	Free	51.01/2a	6%
15.07/1a	Free	23.04	Free	51.01/2b	4%
15.07/1b	Free	27.09/1	Free	51.01/2d	4%
15.07/5a	Free	ex 31.04/2	Free	56.01/1	6%
15.07/5b	Free	39.01/3 and 4	Free	56.01/2	6%
17.01/2a	Free	51.01/1a and c	6%		

EDB ext. 420/475

ABOLITION OF IMPORT DUTY ON CERTAIN PARTS FOR MARINE ENGINES: It has been announced in the Yugoslav *Official Gazette* No. 31 of June 22, that with effect from June 23 the duty has been abolished on certain parts of marine engines. Tariff numbers affected are:

84.06	84.10/5	84.18/2b	84.49/1 and 2	84.61/1	84.63/4
84.10/3	84.11/5	84.45/2c-4	84.59/21	84.63/3	

British exporters with inquiries should give details of the items in which they are interested and address the inquiries to Tariff Section of Export Data Branch. **EDB ext. 420/475**

GLOBAL FOREIGN EXCHANGE QUOTA FOR AGRICULTURAL MACHINERY: It was announced in the Yugoslav *Official Gazette* No. 31 of June 22 that with effect from June 23 a special global foreign exchange quota of 68 million dinars for 1972 would be established for the import of agricultural machinery. Further details may be obtained on request. **EDB ext. 420/475**

Hungary

ANGLO-HUNGARIAN LONG TERM ECONOMIC AND TRADE AGREEMENT AND CO-OPERATION ARRANGEMENT: The Long Term Economic and Trade Agreement between the United Kingdom and Hungary signed in Budapest on March 21 was published on July 14 as a White Paper in Treaty Series No. 70 (1972) as Cmnd. 5016. Copies are available from HMSO, price 13½p net (16p by post).

The attention of firms is drawn to Article 3(1) of the accompanying Co-operation Arrangement, where it is stated that deliveries of goods in accordance with co-operation projects jointly recognised as falling within the terms of the arrangement shall, if imported from the territory of one contracting party into the territory of the other contracting party, be free from quantitative restrictions other than those which are applied on a general basis. Firms which may be engaged in negotiations with Hungarian organisations concerning contracts which are dependent on the grant of special quota concessions to enable goods to be imported into the United Kingdom are advised to consult the Department of Trade and Industry, Commercial Relations and Export Division 4(3), Room 321, 1 Victoria Street, London SW1H 0ET, at an early stage in such negotiations.

Malta

IMPORT LICENSING—RADIATOR CORES: The Malta *Government Gazette* of July 25 announced that from July 26 'radiator cores' would be included in the list of goods which require a specific import licence. **EDB ext. 471/472/473/462**

Lebanon

PROCEDURE FOR AWARDING TENDERS: The Lebanese *Official Gazette* of June 5 published a Decree 3249 of May 17 amending Articles 131 and 132 of Decree 14969 (December 30, 1963) of the Public Accountancy Law, dealing with the award of tenders. A contract is awarded provisionally to the lowest priced tender, or that making the best offer if the conditions of tendering show more important factors than that of price. The new decree provides for a 10 per cent preference for bids offering locally manufactured goods over offers of foreign merchandise subject to these goods fulfilling certain conditions to be determined by *ad hoc* decrees.

CRE ext. 3454

Israel

SURCHARGE: The Israeli authorities have announced the following amendments to items which are subject to surcharge:

Item no.	Description	Rate of duty
	Items 84.06.6000 or 84.08.2000 are cancelled and replaced by:	
84.06.6000 or 84.08	Engines of a nominal power exceeding 500 hp but not exceeding 3,000 hp, other than those where the Ministry of Commerce and Industry are satisfied that: 1 They are not destined for the production of electricity, or that they are so destined but nor as a substitute to the supply receivable for an electricity supplier 2 They are of a kind not manufactured in Israel and that cannot be used as a substitute for Israeli produced engines	40%
	Item 85.01.1010 is cancelled and replaced by:	
85.01	Generators of a nominal power between 400 and 2,200 kWh other than those where the Ministry of Commerce and Industry are satisfied that: 1 They are for the production of electricity for current supply but not as a substitute for supply obtainable from any supplier of electricity 2 They are of a kind not produced in Israel and are not to be used as a substitute for those produced in Israel	40%
	The following item is cancelled:	
Chapter 73	Materials for the manufacture of steel wool	20%

EDB ext. 420/475

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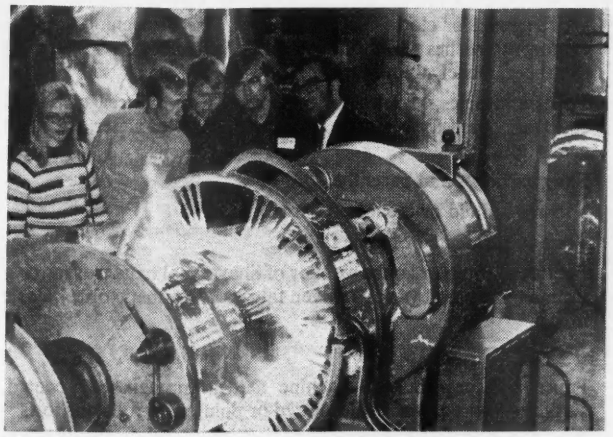

Part of a group of students from Trondheim University, Norway, studying the manufacturing process of a QVF 18in glass column section at the James A. Jobling Process Plant Division manufacturing factory at Stone, Staffs. Their visit was arranged by the Institute of Directors. During their ten-day stay they visited five major UK manufacturers of chemicals, pharmaceuticals and process plant.

Sultanate of Oman

CERTIFICATES OF ORIGIN: Besides a supplier's original commercial invoice (made out in either Arabic or English) giving full details, a Chamber of Commerce certificate of origin, legalised by the Omani Embassy or any other Arab Embassy in London, is now required for exports to Oman. **EDB ext 420/475**

Saudi Arabia

IMPORT REGULATIONS: The Ministry of Commerce and Industry has recently warned that steel reinforcing bars may not be imported into Saudi Arabia unless accompanied by certificates

(a) from the manufacturer, that the product is subject to 'continuous' experiments at the plant itself, the certificate to include details of the chemical anslysis, the mechanical testing (tension, extension and bending) and diameter, and

(b) from the authorities concerned in the country of manufacture, that they subject the product to periodical inspections and testing.

No further information is available. **EDB ext. 420/475**

Nigeria

RIGHT HAND TRAFFIC: Notices were published in *Trade and Industry* of March 16 (page 467) and March 30 (page 585) concerning the Right Hand Traffic Regulations, 1972. Legal Notice 37—Right Hand Traffic (Amendment) Regulations, 1972—requires with effect from July 7 that *all* commercial vehicles shall be equipped with at least two red reflex reflectors. **CRE ext. 3064/3338**

Ethiopia

CUSTOMS TARIFF AMENDMENTS: The Ethiopian official gazette, *Negarit Gazeta*, of July 7 announced changes to the customs tariff. The following items are replaced by new articles of the same enumeration:

Articles 98; 139(2)(a)(4); 142(a)(3), (a)(7) and (b); 163(a) and (b); 168(c); 169(a) and (b); 195(a) and (b); 308; 329; 338(a) and (b); 357; 358; 359(a) and (b); 362(a), (b) and (c); 364(a) and (b); 366; 367; 368; 369; 371(a), (b) and (c); 372(a) and (b); 376(a); 377(b); 379.

Among the items amended are cotton thread, woven textile fabrics, clothing, copper wire, iron and steel, dyes, rubber, cork, books, paper and newsprint. The legislation came into effect on July 7. **EDB ext. 471/472/473**

TRANSACTION TAX: The Ethiopian official gazette, *Negarit Gazeta*, of July 6 announced that the rate of Transaction Tax applicable to all goods imported into Ethiopia has been increased from 12 per cent to 15 per cent. Transaction Tax is levied *ad valorem* based on the customs assessed value. The legislation took effect on July 6. **EDB ext. 471/472/473**

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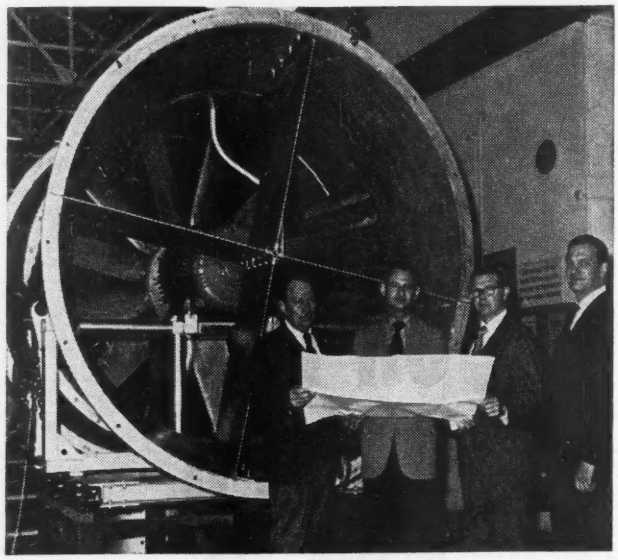

A £54,000 order for 18 75-inch fans for ventilation extraction in the tunnel sections of the Bay Area Rapid Transit system in San Francisco has been won by Woods of Colchester Ltd., part of the GEC group. Mr. Roland Smith (right), marketing director, is seen with representatives of the US consultant engineers during acceptance trials.

Zambia

SUSPENSIONS OF DUTIES: The Zambia Customs and Excise (Suspension) (Amendment) (Nos. 5, 6, 7) Regulations, 1972 amend, with effect from July 14, the Schedule to the Customs and Excise (Suspension) Regulations, 1970 (published in the *Board of Trade Journal* of February 25, 1970), to the following extent:

No. 5—By the deletion of the following:

Heading no.	Description of goods	Effective rate of duty
ex 83.01.00	Component parts of rim locks, cyclinder night latches, 2-lever mortice locks, 3-lever mortice locks and 4-lever mortice locks: when imported by persons approved by the Minister and under such conditions as the Controller may determine	Free

and the substitution therefor of the following:

ex 83.01.00	Component parts of rim locks, cylinder night latches, 2-lever mortice locks, 3-lever mortice locks and 4-lever mortice locks: when imported by persons approved by the Minister and under such conditions as the Controller may determine	15%

No. 6—By the deletion of the following:

ex 73.21.13	Door and window frames, when imported by persons approved by the Minister under such conditions as may be determined by the Minister	Free

No. 7—By the insertion of the following under the appropriate heading as indicated:

ex 92.12.23	Gramophone records produced for and imported by the United Nations High Commission for Refugees	Free

ESD ext. 462/471/472/473

South Africa

CUSTOMS TARIFF APPLICATIONS: Customs Tariff Application Lists 558 and 559, published in the South African *Government Gazette* of July 28, contain applications to the Board of Trade and Industries for increases in duty on the following:

List 558

Pressure-sensitive strip and film, of vinyl chloride polymers and copolymers

Woven gauze or cloth, excluding woven insect screening, not exceeding 80 meshes per lineal centimetre, of iron or steel wire, and of copper, nickel, aluminium or zinc wire

Tubes and pipes, seamless or welded, of iron or steel, of a kind commonly used for sewerage or for the supply of water, steam or gas

Baby carriages and parts thereof

Various knitted or crocheted garments

Various garments of textile fabrics

Fabrics of sheep or lambs wool or of fine animal hair, woven from worsted yarns and various woven fabrics of synthetic or cellulosic fibres.

List 559

Paper and paperboard, machine made, impregnated, coated, surface coloured, surface decorated or pointed, in rolls or sheets

Tubes and pipes of copper or brass of an outside diameter not exceeding 115 mm.

British trade organisations thought to be interested in the application are being informed. Any British firm affected which wishes to make representations to the South African Board of Trade and Industries and belongs to a trade organisation should, therefore, first contact its own trade association. Firms proposing to make independent representations to the South African authorities and requiring further information should address inquiries to Commercial Relations and Export Department. **CRE ext. 2274**

METRICATION OF CUSTOMS TARIFF: The recently published South African Customs and Excise Amendment Act of 1972 sets out the new metric tariff and makes certain consequential amendments to the text of the Customs and Excise Act, 1964 (eg 'Celsius' for 'centigrade', 'mass' for 'weight'). The tariff will be effective from September 1. **EDB ext. 471/472/473/462**

Seychelles

CUSTOMS TARIFF AMENDMENTS: The Department of Trade and Industry has received copies of the Seychelles Customs Tariff (Amendment) Ordinance, No. 1 of 1972, and Statutory Instrument No. 30 of 1972, The Customs Tariff (Amendment) Regulations, 1972.

Ordinance No. 1 changes, with effect from March 13, the valuation base for *ad valorem* duty from that of domestic value in the country of origin to 'free on board' the exporting vessel.

Statutory Instrument No. 30 replaces, with effect from March 8, Schedules A and B to the customs tariff, ie rates of duty, and exemptions from import duty, respectively. These regulations are too long to be reproduced here.

Exporters with inquiries should give details of the goods in which they are interested. **EDB ext. 471/472/473/462**

South Vietnam

INVESTMENT REGULATIONS: The Vietnamese Board of Investments has published a booklet giving details of Vietnam's recently enacted Investment Law. The law is designed to encourage investments in Vietnam and covers all forms of investments. A limited number of copies of this booklet are available from Commercial Relations and Export Division. **CRE ext. 3348**

Australia

RESULT OF DUMPING TARIFF BOARD INQUIRIES—(1) Acoustic boards, etc: A notice was published in *Trade and Industry*, March 24, 1972, to the effect that a reference had been made to the Tariff Board under the Australian Tariff (Dumping and Subsidies) Act on acoustic boards etc. (main tariff items 48.09.900, 68.07.100 and 70.20.900). The inquiry has been completed and, as a result dumping has been confirmed and dumping duties imposed retrospectively from March 22, 1971. Ref. CRE 765/71.

(2) Acetone: A notice was published in *Trade and Industry*, December 16, 1970, to the effect that a reference had been made to the Tariff Board under the Australian Tariff (Dumping and Subsidies) Act on acetone (tariff item 29.13.100). The inquiry has

been completed and, as a result dumping has been confirmed and dumping duties imposed, to take effect on and after May 26, 1972. Ref. CRE 1193/70. **CRE ext. 2318/2319**

RESULT OF TARIFF BOARD INQUIRY ON SHIPBUILDING: A notice was published in the *Board of Trade Journal*, December 13, 1968, to the effect that a reference had been made to the Australian Tariff Board for inquiry and report on the question whether assistance should be accorded to shipbuilding by tariff protection and by means of subsidy (tariff chapter 89). The inquiry has been completed and as a result, changes in the tariff have been made, which took effect from June 6, 1972. Details are given below:

AMENDMENT OF PART II OF THE FIRST SCHEDULE TO THE CUSTOMS TARIFF 1966-1972

Tariff item	Goods	Rates of duty	
		General	Preferential
Omit items 89.01 to 89.05 (inclusive), insert the following items:			
89.01	*Ships, boats and other vessels not falling within any other item in this Chapter:		
89.01.1	—Exceeding 200 tons gross register	Free	Free
89.01.9	—Other	35%	25%
89.02	*Vessels specially designed for towing (including tugs) or pushing other vessels:		
89.02.1	—Exceeding 200 tons gross register	Free	Free
89.02.9	—Other	35%	35%
89.03	*Light-vessles, fire-floats, dredgers of all kinds, floating cranes, and other vessels the navigability of which is subsidiary to their main function; floating docks:		
89.03.1	—Exceeding 200 tons gross register	Free	Free
89.03.9	—Other	35%	35%
89.04	*Ships, boats and other vessels for breaking up	Free	Free
89.05	*Floating structures other than vessels (including coffer-dams, landing stages, buoys and beacons)	35%	25%

Changes have also been made in the rates of subsidy available to Australian shipbuilders. Copies of a statement by the Deputy Prime Minister and Minister for Trade and Industry, Mr. J. D. Anthony, and the Minister for Shipping and Transport, Mr. P. J. Nixon, on May 31, 1972, are available on request.

EDB ext. 401/468/469

New Zealand

EMERGENCY PROTECTION AUTHORITY—RADIO BROADCAST RECEIVERS AND WINES OF FRESH GRAPES: The New Zealand Minister of Industries and Commerce has referred to the Emergency Protection Authority for inquiry and report the question whether it is necessary that protective action, by means of temporary additional duties or temporary restriction of importation (or by a combination of both), be taken in respect of radio broadcast receivers and wines of fresh grapes.

Details of the tariff items, under which the goods are dutiable, are given below.

Tariff item	Unit	British preferential	Most favoured nation	General
85.15.101	no.	32½%	..	85%
22.05.001	gal.	..	$1.50	..
22.05.011	gal.	$1.50	$1.95 SA $1.42	$2.25
22.05.021	gal.	90c Aul $1.12	$1.20 SA $1.12	$1.40
22.05.029	gal.	90c Aul $1.12	$1.20 SA $1.12	$1.40
22.05.031	gal.	$1.10 Aul $1.32	$1.40 SA $1.32	$1.60
22.05.039	gal.	$1.10 Aul $1.32	$1.40 SA $1.32	$1.60
22.06.001	gal.	60c Aul 82c	90c SA 82c	90c
22.06.011	gal.	90c Aul $1.12	$1.20 SA $1.12	$1.40
22.06.019	gal.	$1.10 Aul $1.32	$1.40 SA $1.32	$1.60

The Emergency Protection Authority is required to report to the Minister by August 30. In the short time available for investigation, United Kingdom interests wishing to make their views known to the Authority will no doubt get in touch with their agents or the Director of the British Trade Association of New Zealand Inc., PO Box 2286, Wellington, New Zealand (telegraphic address 'Transtrade', tel. Wellington 34-706). The BTANZ charges a fee for its services, the amount varying according to the work entailed and whether the

(*continued on next page*)

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NEW ZEALAND

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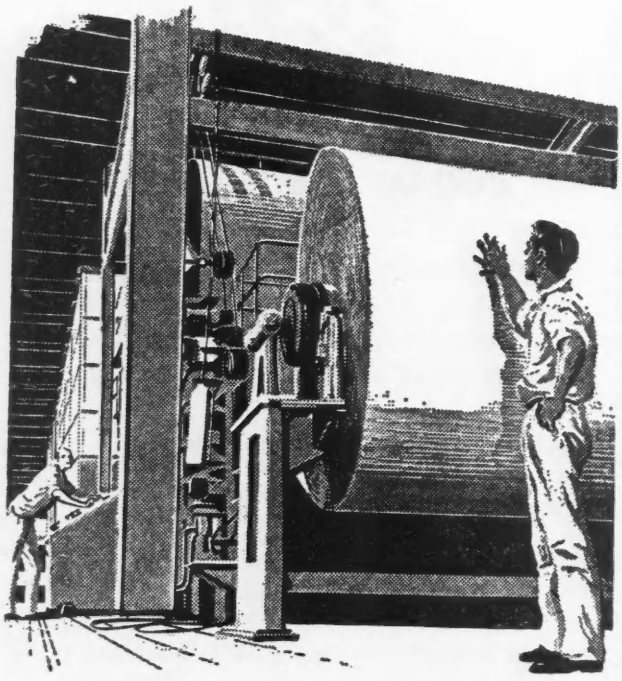

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trade association or firm is a member: details may be obtained from the BTANZ.

Any British trade association or firm requiring further details or proposing to submit evidence is asked to advise the Commercial Relations and Exports Division. Ref. CRE 1176/72. CRE 1177/72.

CRE ext. 2321

EMERGENCY PROTECTION AUTHORITY REPORT—UNION FABRICS: Copies of the following New Zealand report are available from Commercial Relations and Exports Division:

Tariff no.	Description
53.11.009 55.09.101	'Union Fabrics' of wool and cotton or wool and man-made fibres

CRE 1166/72. **CRE ext. 2321**

IMPORT DUTY—INSULATED ELECTRIC WIRE AND CABLE: The New Zealand Government have approved Tariff and Development Board recommendations for a change in import duty on insulated electric wire and cable falling within tariff item 85.23 as follows:

	BP	MFN	General
Co-axial	Free	10%	25%
Other kinds (as may be approved by the Minister)	Free	20%	25%
Other kinds—other	20%	40%	45%

EDB ext. 401/468/469

Canada

SHIPMENTS TO CANADA DURING UK DOCK STRIKE: The Canadian Department of National Revenue has advised that if, because of the UK dock strike, direct shipment of goods from Britain to Canada is not possible it will allow goods normally entitled to British preferential tariff treatment to be transhipped from European ports without loss of preferential privilege provided they are destined without a further transhipment for a port in Canada. Shipments must be covered by through Bills of Lading or other suitable documentary evidence to show that the goods were originally intended for Canada. **CRE ext. 2629**

Peru

IMPORT PROHIBITIONS: Directoral Resolutions 1083-72-IC-DGI-DECI and 1084-72-IC-DGI-DECI add further goods to the Peruvian National Register of Manufactured Goods. As a result these products can no longer be imported unless local industry fails to meet local demands as regards quality and quantity. Part of or all of the following tariff numbers are effected:

22.09 36.06 38.11 38.19 39.07 44.05 55.05 55.06 56.05 59.04 59.13 60.01
60.05 60.06 61.01 61.02 61.03 62.05 64.02 64.03 70.10 70.13 70.14 71.16
76.08 79.01 83.02 83.05 83.06 83.09 84.54 87.10 87.12 93.07 94.03 94.04
97.02 98.01 (Resolution 1083-72)

39.02 39.07 73.16 73.20 73.22 73.32 73.36 73.39 73.40 76.08 82.01 83.02
83.04 83.09 84.10 84.18 84.41 84.61 85.01 86.09 87.06 87.13 87.14 94.01
94.03 (Resolution 1084-72)

EDB ext. 474/476/7312

Chile

MAXIMUM PERIOD FOR PAYMENT: Chilean Central Bank Circular 1546 of August 5, 1971 stipulated that arrangements to cover the cost of imported goods had to be made within a maximum period of 60 days from the date of the bill of lading (with certain exceptions). This 'maximum period' has been extended to 70 days by Central Bank Circular 1706 of June 21. The circular also substantially shortens the list of exceptions.

EDB ext. 474/476/7312

The economy: selected indicators

Series expressed as index numbers and seasonally adjusted except where shown otherwise

SYMBOLS USED IN ALL STATISTICAL TABLES—
.. not available
— nil or less than half the final digit shown
p provisional
r revised
* five week period
ø fifty-three week period

	Gross Domestic Product (Expenditure estimates)	Index of Industrial Production	Consumers' income and Expenditure				Fixed Capital Expenditure					Increase in Stocks			
							Total	Selected Components				Total	Selected Components		
			Personal disposable income	Total consumers' expenditure		Retail sales		Manufacturing industry	Distributive and service industries	Dwellings	Public sector excluding dwellings		Manufacturing industry	Wholesalers	Retailers
	at 1963 prices		at current prices		at 1963 prices	at 1966 prices	at 1963 prices					at 1963 prices			
Base of index £m in base year	1963 26,973	1963	1963 21,763	20,127	20,127	11,372	4,912	1,070	994	944	1,752	Series in £ million			
1966	111	113.2	122	121	108	100.0	124	128	115	128	125	254	143	25	17
1967	113	113.9	127	126	110	101.4	133	124	122	138	142	184	−37	13	22
1968	116	119.8	136	135	112	103.6	139	131	144	145	142	158	23	75	41
1969	118	122.9	143	143	113	103.0	138	140	148	132	132	346	232	26	27
1970	120	124.1	156	155	116	104.2	140	152	157	119	136	265	214	42	13
1971	122	125.0	172	171	119	104.8	142	141	160	121	144	24	−153	−4	36
1970 2nd qtr	121	123.4	155	153	116	104.2	143	153	163	119	137	103	55	11	14
3rd qtr	120	124.4	159	158	117	104.6	140	154	156	121	134	104	44	7	—
4th qtr	122	124.9	163	160	117	104.7	143	157	165	120	139	83	72	23	15
1971 1st qtr	118	124.4	164	161	115	102.1	138	146	148	114	146	82	41	−1	−44
2nd qtr	122	125.3	170	170	119	104.4	142	139	164	122	141	−58	−114	11	38
3rd qtr	123	125.5	175	175	120	105.5	142	144	165	122	141	−36	−59	−9	6
4th qtr	124	124.8	179	178	121	107.4	144	134	163	127	147	36	−21	−6	36
1972 1st qtr	119	121.6	180	181	122	106.5	143	138††	160	126	149	−156	−122	−3	−29
2nd qtr						109.1									
1971 Dec		124.5				107.1									
1972 Jan		124.8				107.0									
Feb		113.5				106.0									
Mar		126.6				106.6									
Apr		127.5				108.1									
May		131.2				108.5									
Jun						110.5									

	Orders	Prices and Costs					Labour			Trade (§)		Balance of Payments current balance
	Engineering and electrical goods † orders on hand (end period)	Retail price index		Wholesale price index: all manufacturing industry§§		Basic hourly wage rates (all industries and services)‡	Wholly unemployed excluding school leavers and adult students	Unfilled vacancies for adults	Civil employment	Exports(¶)	Imports(‖)	
	at 1963 prices	Index‡	% increase on year earlier	Basic materials and fuel used‡	Manufactured products: home sales‡		Mid-month or monthly average		Quarter or quarterly average	at current prices		
Base of index £m in base year	Dec 1963	Jan 16, 1962		1963	1963	Jan 31, 1956	Series in thousands			1963 4,282	1963 4,362	Series in £ million
1966	115	116.5	*3.9*	108.0	109.6	168.5	323	255	24,835	121	120	83
1967	106	119.4	*2.5*	107.5	110.9	175.3	510	174	24,476	120	130	−298
1968	106	125.0	*4.7*	117.3	115.3	187.3	538	188	24,331	146	159	−291
1969	117	131.8	*5.4*	121.4	119.8	197.4	531	200	24,304	165	165	443
1970	125	140.2	*6.4*	126.2	127.7	217.7	568	186	24,135	184	181	611
1971	114	153.4	*9.4*	132.6	137.7	246.4	737	129	23,711	207	197	979
1970 2nd qtr	122	139.5	*5.8*	126.1	126.6	214.0	563	188	24,138	183	183	114
3rd qtr	123	141.1	*6.9*	124.9	128.7	219.5	571	185	24,072	175	178	75
4th qtr	125	144.0	*7.7*	127.3	131.4	228.3	582	176	24,054	199	190	204
1971 1st qtr	120	147.9	*8.6*	129.7	134.4	237.5	634	150	23,824	186	189	100
2nd qtr	116	153.2	*9.8*	133.1	137.2	242.4	709	128	23,782	214	199	283
3rd qtr	117	155.3	*10.1*	134.1	139.2	248.6	772	119	23,639	217	197	354
4th qtr	114	157.3	*9.2*	133.6	140.0	257.0	832	118	23,598	213	202	242
1972 1st qtr		159.7	*8.0*	135.0	141.6	265.9	870	124		207	214	30
2nd qtr				136.2 p	143.4 p	272.0 p	834	133		215 p	218 p	
1971 Dec	114	158.1	*9.0*	134.2	140.3	262.6	853	116		222	208	
1972 Jan		159.0	*8.2*	135.6	141.2	265.2	862	119		208	204	
Feb		159.8	*8.1*	134.6	141.6	265.6	869	126		212	217	
Mar		160.3	*7.6*	134.7	142.0	266.9	879	126		202	221	
Apr		161.8	*6.3*	136.0	142.6	268.6	871	128		210 p	220 p	
May		162.6	*6.1*	136.2 p	143.4 p	271.5	834	134		211 p	218 p	
Jun		163.7	*6.1*	136.2 p	144.2 p	275.8 p	798	139		224 p	215 p	
Jul							803 p	140 p				

(†) New series covering SIC Orders VII-IX; previous series also included part of Order XI. (‡) Not seasonally adjusted.
(§) On a balance of payments basis. (‖) Includes payments for United States military aircraft and other balance of payments adjustments.
(¶) Includes balance of payments adjustments and allowances for factors affecting recording.
(§§) This now includes food industries. (††) Not directly comparable with earlier figues; see Capital Expenditure article in T & I Volume 7 No. 11 June 15, 1972.

Insurance companies in 1971

THIS article summarises the information on investment and assets held by insurance companies which is provided to the Department of Trade and Industry by the British Insurance Association. The previous annual article was published in *Trade and Industry* of August 12, 1971.

The annual articles formerly included statistics af transactions by insurance companies during the first quarter of the year following that to which the annual figures related. Quarterly figures are now published in the Business Monitor Miscellaneous Series (M5) under the title 'Insurance Companies' and Private Pension Funds' Investment' obtainable from HM Stationery Office price 37½p per annum.

Investment in 1971

Insurance companies' total net investment (including changes in agents' balances, etc) was £1,230 million in 1971 (Table 1). This represented a rise of over a quarter on the level during 1970. Total net investment of life funds at £964 million, at £148 million, was 18 per cent more than in 1970, while investment by general funds, at £266 million, was £110 million (over 70 per cent) greater than in 1970.

The slight disparity between these figures and those shown in the Business Monitor (M5) for the fourth quarter of 1971 (published in April 1972) is accounted for by the present inclusion of agents' balances, etc. which are only available annually. The figures for agents' balances, etc. include outstanding premiums, interest accrued, and outstanding interest dividends and rents, but probably the largest single component is world wide reinsurance balances.

Investment by life funds in 1971 amounted to 78 per cent of total net investment of insurance companies, the lowest proportion since the commencement of this series in 1962. The pattern of investment (Table 2) shows a number of changes compared with the previous year, the most significant being the high level of investment in Government securities. Disinvestment in short-dated securities was more than compensated for by very heavy investment in long-dated and undated securities. There were substantial increases in investment in ordinary shares, unit trust units and debentures, and a slowing down in disinvestment in preference shares. Total investment in company securities amount to £403 million (nearly 30 per cent above the level in 1970). This represented about 42 per cent of total investment compared with 38 per cent in 1970.

For the second year running there was a marked fall in investment in mortgages and loans. Expressed as a proportion of total investment there was a fall from 14 per cent in 1970 to 4 per cent in 1971. Although £189 million was invested in land, property and ground rents in 1971 this represented only 20 per cent of the year's total investment compared with 25 per cent in 1970.

The pattern of investment of general funds is shown in Table 3. There was a significant turn-round in investment in Government securities with net investment of nearly £90 million (or one-third of total net investment), compared with net disinvestment in the previous three years. In contrast, the increase in holdings of cash, agents' balances, etc. was smaller in 1971 than in 1970, representing only 25 per cent of total net investment in 1971 compared with 62 per cent in 1970.

Holdings of assets

Table 4 shows that the reported value of the life funds' holdings of assets continued to increase from £13,781 million at the end of 1970 to £15,094 million at the end of 1971, an increase of nearly 10 per cent and the highest rate of increase since that of 11 per cent between 1967 and 1968. Holdings of public sector securities (at nominal values) rose by £459 million from £3,447 million at end 1970 to £3,906 million at end 1971 (26 per cent of total assets). The increase was entirely in holdings of British Government securities, holdings of United Kingdom local authority securities falling by

TABLE 1. TOTAL NET INVESTMENT OF INSURANCE COMPANIES, 1968-71

£ million

	Combined Funds						General Funds						Life Funds					
	Net investment				Assets acquired	Assets realised	Net investment				Assets acquired	Assets realised	Net investment				Assets acquired	Assets realised
	1968	1969	1970	1971	1971	1971	1968	1969	1970	1971	1971	1971	1968	1969	1970	1971	1971	1971
British government and government-guaranteed securities:																		
Period to maturity:																		
Up to 5 years	–40.5	–37.7	–37.8	– 2.4	310.7	313.1	– 5.8	– 0.1	–21.9	6.6	103.3	96.6	–34.7	–37.7	–15.9	– 9.0	207.4	216.5
Over 5 years and up to 10 years	–18.7	–26.4	10.0	–39.1	247.8	286.9	– 4.9	– 5.2	– 1.7	7.7	67.5	59.8	–13.8	–21.2	11.7	–46.9	180.3	227.1
Over 10 and up to 15 years	– 0.2	20.2	49.6	25.3	269.4	244.1	– 5.7	– 1.1	22.3	10.2	57.1	47.0	5.5	21.3	27.2	15.1	212.2	197.2
Over 15 years	176.8	146.4	39.1	492.9	1,488.1	995.1	9.5	– 5.9	– 6.8	63.2	142.0	78.8	167.3	152.3	45.8	429.7	1,346.1	916.3
Undated	2.7	4.3	14.4	27.5	80.0	52.5	– 0.3	– 0.6	– 1.0	– 0.2	2.3	2.5	3.0	4.9	15.4	27.7	77.7	50.0
Total	120.1	106.8	75.2	504.2	2,395.9	1,891.7	– 7.2	–12.9	– 9.0	87.6	372.2	284.7	127.2	119.7	84.2	416.6	2,023.7	1,607.1
United Kingdom local authorities, etc., securities	15.8	–20.5	–12.9	–12.9	27.5	40.4	0.7	– 0.8	0.5	—	6.9	7.0	15.1	–19.6	–13.4	–12.8	20.6	33.4
Company securities:																		
Ordinary shares	223.7	148.1	261.5	365.3	847.5	482.1	35.2	16.9	29.1	70.0	148.3	78.2	188.5	131.2	232.4	295.3	699.2	403.9
Unit trust unit (1)	..	..	9.0	10.7	11.2	0.5	..	..	—	0.4	0.4	—	..	..	9.0	10.3	10.8	0.5
Preference shares	–21.6	– 3.9	– 2.0	– 4.5	21.4	25.9	12.9	11.1	16.5	1.8	10.6	8.8	–34.5	–15.0	–18.5	– 6.3	10.8	17.1
Debentures, etc.	218.1	122.3	94.0	115.6	334.3	218.7	4.2	4.6	5.0	11.7	28.3	16.6	213.9	117.6	89.1	103.9	306.0	202.1
Total	420.2	266.5	362.6	487.1	1,214.3	727.2	52.2	32.7	50.5	83.9	187.6	103.6	368.0	233.8	312.0	403.1	1,026.8	623.6
Other investments:																		
Mortgages and loans:																		
Home: House purchase loans	71.4	82.5	36.0	14.9	149.1	134.2	2.2	2.6	2.2	3.6	9.1	5.5	69.2	79.9	33.8	11.3	140.0	128.7
Other mortgages and loans	71.7	114.7	98.1	41.9	195.2	153.2	– 2.6	6.7	20.4	11.7	24.7	13.0	74.4	108.0	77.7	30.3	170.5	140.2
Overseas	1.4	3.5	2.8	1.6	3.5	1.9	0.1	—	0.3	– 0.1	0.1	0.2	1.3	3.5	2.4	1.7	3.4	1.7
Overseas government, etc., securities	– 1.9	–12.6	0.5	1.9	30.5	28.6	– 0.1	– 1.2	– 0.1	2.2	8.9	6.7	– 1.8	–11.4	0.6	– 0.3	21.6	21.9
Land, property and ground rent	119.4	186.0	197.5	198.1	246.2	48.1	– 6.2	3.0	– 5.1	9.1	12.6	3.5	125.6	183.0	202.6	189.0	233.6	44.6
Other	0.9	1.6	– 0.1	– 0.1	0.3	0.5	– 0.2	0.1	—	—	—	—	1.0	1.5	– 0.1	– 0.1	0.3	0.5
Total	262.9	375.7	334.8	258.3	624.7	366.5	– 6.8	11.1	17.7	26.5	55.3	28.8	269.7	364.6	317.1	231.8	569.4	337.7
Total of investments	819.0	728.6	759.6	1,236.6	4,262.5	3,025.9	39.0	30.1	59.7	197.9	622.0	424.1	780.0	698.5	699.9	1,038.7	3,640.5	2,601.8
Cash and short-term assets	0.7	47.1	130.5	–61.4			8.0	12.6	39.7	30.2			– 7.3	34.6	90.8	–91.6		
Agents' balances, etc.	75.1	40.3	81.9	54.9			56.9	22.4	56.1	37.6			18.2	17.9	25.8	17.3		
Total net investment	894.8	816.0	972.1	1,230.0			103.9	65.0	155.5	265.7			790.9	751.0	816.5	964.3		

(1) Prior to 1970 investment in Unit trust units was not separately reported and is likely to have been included under 'Ordinary Shares' or 'Other Assets'.

£14 million to £364 million (2 per cent of total assets). Company securities, at book value, rose by £509 million to £6,256 million (accounting for 41 per cent of total assets as in 1969 and 1970). The market value of company securities is, of course, likely to be substantially greater than their book value, and the change in market values during 1971 (given the average rise in share prices of about 40 per cent between December 1970 and December 1971) of ordinary shares would probably be much greater than the change in book values. Mortgages and loans rose by £76 million to £2,419 million (16 per cent of total assets compared to 17 per cent in 1970), whilst land, property and ground rents rose by £323 million from £1,692 million at end-1970 to £2,015 million at end 1971 and now represent 13 per cent of the total assets compared with 12 per cent in 1970 and 11 per cent in 1969.

Holdings of cash and other short-term assets fell from the high level at the end of 1970 (£233 million) to £148 million at the end of 1971. The increase in agents' balances, etc. evident in recent years continued in 1971 and was £263 million at the end of the year.

The total assets of general funds rose by £418 million to £2,089 million in 1971, an increase of 25 per cent, which was largely concentrated (as in the case of life funds) in British Government securities. Holdings (at normal values) of these securities rose from £194 million at end of 1970 to £287 million at the end of 1971, and accounted for 14 per cent of total assets compared with 12 per cent in the previous year. Company securities at £796 million showed an increase of £159 million (25 per cent).

During 1971 holdings of mortgages and loans rose only slightly. There was a sharp increase (of £86 million) in reported holdings of land, property and ground rents. This increase mainly arose from revaluations of existing holdings as net investment during 1971 was only £9 million. These assets apart, there was little change in the pattern of holdings of assets in 1971 compared with the previous year.

Notes and definitions

These statistics cover:

(*a*) United Kingdom companies which are members of the British Insurance Association, that is, those whose parent company is registed and whose head office is in the United Kingdom.

(*b*) Commonwealth life companies which are members of the British Insurance Association, in respect of their United Kingdom business.

(*c*) Collecting Friendly Societies.

The returns include assets held in respect of money remitted by overseas branches and subsidiaries, but they exclude direct investment by a United Kingdom company in its overseas branches or subsidiaries, as well as financial assets held by or on behalf of those branches, even if held in the United Kingdom.

Thus the figures of holdings of assets differ from other published insurance statistics. The British Insurance Association itself publishes each year total investments of its British members. These figures differ in two important respects from those of holdings of assets published in the present article. First, the annual statistics published

(*continued on next page*)

TABLE 2. PATTERN OF INVESTMENT OF LIFE INSURANCE FUNDS†

	Percentage of Totals							
	Holdings of Assets				Net Investment in Assets			
	End 1968	End 1969	End 1970	End 1971	1968	1969	1970	1971
British government and government guaranteed securities	24	23	22	24	16	16	10	43
United Kingdom local authorities, etc., securities	3	3	3	2	2	– 3	– 2	– 1
Company securities:								
Ordinary shares	22	22	23	24	24	17	28	31
Unit trust units (1)	..	..	—	—	..	..	1	1
Preference shares	2	2	1	1	– 4	– 2	– 2	– 1
Debentures, etc.	18	17	17	16	27	16	11	11
Mortgages and loans	17	17	17	16	18	26	14	4
Land, property and ground rents	11	11	12	13	16	24	25	20
Other investments (including overseas government, etc., securities)	1	1	1	1	—	– 1	—	—
Cash and other short-term assets	1	1	2	1	– 1	5	11	–10
Agents' balances, etc.	2	2	2	2	2	2	3	2
Total	100	100	100	100	100	100	100	100
£ million	11,830	12,741	13,781	15,094	791	751	817	964

† Holdings of British government and government guaranteed securities and United Kingdom local authorities, etc., securities are at nominal values; other assets are at book values Net investment in assets is at cash transaction values.

(1) Prior to 1970 investment in Unit trust units was not separately reported and is likely to have been included under 'Ordinary Shares' or 'Other Assets'.

TABLE 3. PATTERN OF INVESTMENT OF GENERAL INSURANCE FUNDS†

	Percentage of Totals							
	Holdings of Assets				Net Investment in Assets			
	End 1968	End 1969	End 1970	End 1971	1968	1969	1970	1971
British government and government guaranteed securities	13	14	12	14	– 7	–20	– 6	33
United Kingdom local authorities, etc., securities	3	3	2	2	1	– 1	– 1	—
Company securities:								
Ordinary shares	27	27	27	28	34	26	19	26
Unit trust units	..	..	—	—	..	..	—	—
Preference shares	7	7	7	5	12	17	11	1
Debentures, etc.	5	5	5	4	4	7	4	5
Mortgages and loans	4	4	5	5	—	14	15	6
Land, property and ground rents	6	6	6	9	– 6	5	– 3	3
Other investments (including overseas government, etc., securities)	3	2	2	2	—	– 2	—	1
Cash and other short-term assets	7	9	10	10	8	19	26	11
Agents' balances, etc.	24	23	24	21	55	34	36	14
Total	100	100	100	100	100	100	100	100
£ million	1,335	1,460	1,671	2,089	104	65	156	266

† Holdings of British government and government guaranteed securities and United Kingdom local authorities, etc., securities are at nominal value; other assets are at book values Net investment in assets is at cash transaction values.

(1) Prior to 1970 investment in Unit trust units was not separately reported and is likely to have been included under 'Ordinary Shares' or 'Other Assets'.

INSURANCE COMPANIES
continued

by the British Insurance Association includes assets of overseas subsidiaries of United Kingdom companies, and secondly, public sector securities in the present statistics are at nominal values while in the Association's figures they are at book values.

The figures differ from those published by the Department of Trade and Industry in the Annual Summaries of Statements of Insurance Business published under the Insurance Companies Act, 1958 as amended, in additional respects; the latter give assets divided between companies carrying on life business and other companies, compared with the breakdown between life assets and other assets in this article. The annual Summaries also include companies which are not members of the British Insurance Association, but these are very small in relation to the total.

The Collecting Friendly Societies are not included in the annual summaries published under the 1958 Act, but one of the largest members of the Association of Collecting Friendly Societies, is a member of the British Insurance Association and is included in the figures published by the British Insurance Association.

Cash and short-term assets include cash in hand and with United Kingdom banks, United Kingdom Treasury bills and local authority bills and temporary money, and other short-term assets held in the United Kingdom or overseas.

Holdings of public sector securities are at nominal values; holdings of other investments are at book values. Transactions in assets are at cash values. Net investment is the difference between the value of assets acquired and the value of assets realised.

Public sector securities include British Government and Government guaranteed securities and United Kingdom local authority securities (including Harbour Boards, Water Boards, etc.). Treasury bills and local authority bills are not included under this heading. Securities with optional redemption dates are classified by their final date. Conversions on maturity are omitted from the statistics of transactions in assets.

Figures given in the various tables in this article have been rounded, and totals are not always exactly equal to the sum of their components.

The statistics shown in Table 4 can give only a broad picture of the distribution of insurance companies' assets because of the different bases of valuation.

Changes in book values between the end of one year and of the next do not correspond to the cash value of transactions during the year because of revaluations.

Changes between one year and the next in the statistics of holdings of public sector securities by maturity dates are affected by the transfer of stocks from longer to shorter maturity classifications.

Reprints of 'T & I' articles

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TABLE 4. FINANCIAL ASSETS HELD BY INSURANCE COMPANIES, 1968-71

£ million, end period

	Combined Funds				General Funds				Life Funds			
	1968	1969	1970	1971	1968	1969	1970	1971	1968	1969	1970	1971
PUBLIC SECTOR SECURITIES AT NOMINAL VALUES:												
British government and government guaranteed securities:												
Period to maturity:												
Up to 5 years	121	102	79	117	52	52	35	60	70	50	44	57
Over 5 and up to 10 years	97	99	169	209	22	21	28	43	75	78	141	166
Over 10 and up to 15 years	204	245	225	170	16	23	41	41	187	222	184	129
Over 15 years	1,967	2,142	2,199	2,669	84	98	85	138	1,883	2,044	2,115	2,532
Undated	571	564	591	664	4	6	5	6	567	558	585	659
Total	2,961	3,152	3,263	3,829	178	200	194	287	2,782	2,952	3,069	3,542
United Kingdom local authorities, etc., securities:												
Period to maturity:												
Up to 5 years	63	66	77	81	15	16	15	16	48	51	62	65
Over 5 and up to 10 years	110	113	119	114	14	12	13	13	96	101	106	100
Over 10 and up to 15 years	82	73	62	62	5	5	6	6	77	68	56	57
Over 15 years	162	147	129	115	6	7	6	5	155	140	123	110
Undated	29	33	33	33	—	—	1	1	29	32	31	32
Total	445	432	419	405	40	41	41	41	405	391	378	364
Total of public sector securities	3,406	3,584	3,682	4,234	218	241	235	328	3,187	3,343	3,447	3,906
OTHER ASSETS AT BOOK VALUES:												
Company securities:†												
Ordinary shares	2,943	3,238	3,645	4,141	362	401	443	590	2,580	2,837	3,202	3,552
Unit trust units (1)	..	..	35	66	..	..	—	1	..	..	35	65
Preference shares	347	327	318	312	88	95	113	112	259	232	206	201
Debentures, etc.	2,184	2,290	2,386	2,533	71	74	81	95	2,113	2,216	2,305	2,439
Total	5,473	5,855	6,385	7,053	521	570	637	796	4,952	5,284	5,747	6,256
Mortgages and loans:												
Home: House purchase loans	1,052	1,114	1,154	1,172	32	34	37	40	1,021	1,080	1,117	1,132
Other mortages and loans	1,000	1,122	1,230	1,296	14	21	45	49	986	1,102	1,186	1,248
Overseas	32	37	39	48	8	7	10	9	24	30	29	39
Overseas government, etc., securities	139	123	124	127	39	35	38	33	101	88	86	88
Land, property and ground rents	1,349	1,539	1,797	2,207	85	87	106	192	1,264	1,452	1,692	2,015
Other	5	22	—	—	—	—	—	—	5	22	—	—
Total	3,578	3,957	4,345	4,850	178	184	236	329	3,400	3,773	4,109	4,521
Total of other securities and assets	12,457	13,396	14,411	16,137	917	995	1,108	1,458	11,540	12,401	13,303	14,683
Cash and short-term assets	188	246	399	349	99	125	166	202	89	121	233	148
Agents' balances, etc.	519	560	642	696	318	340	396	434	202	220	245	263
Total assets	13,164	14,201	15,452	17,183	1,335	1,460	1,671	2,089	11,830	12,741	13,781	15,094

† The figures for combined life and general funds include £417 million at end 1968, £443 million at end 1969, £501 million at end 1970 and £529 million at end 1971 of securities of companies registered overseas. Of these amounts £222 million in 1968, £225 million in 1969, £258 million at end 1970 and £265 million at end 1971 represented ordinary shares of United States companies; the balance consisted very largely of securities of companies registered in the overseas sterling area and Canada. Holdings of securities of companies registered in other countries, including Europe, totalled only £28 million in 1968, £40 million in 1969, £45 million in 1970 and £68 million in 1971.

(1) Prior to 1970 investment in Unit trust units was not separately reported and is likely to have been included under 'Ordinary Shares' or 'Other Assets'.

Private pension funds in 1971

THIS article discusses recent trends in the transactions and the assets of the self-administered private pension funds of industrial and commercial companies and non-profit making bodies which do not operate their pension schemes through insurance companies. It summarises investment by private pension funds during 1971 and the assets held at the end of that year, and gives comparable estimates for earlier years. Fuller details, including quarterly details up to the first quarter of 1972, are published in Business Monitor, M5 'Insurance companies' and private pension funds' investment, First quarter 1972' (obtainable from HMSO price 37½p per annum).

Transactions in assets in 1971

Estimates of total net investment by private self-administered pension funds are shown in Table 1. Funds of co-operative societies are excluded from the estimates.

Total net investment by private self-administered pension funds was £368 million during 1971, an increase of 5½ per cent on investment during 1970. This was a slower rate of increase than that experienced between 1969 and 1970 (15 per cent), although it was above the rate of increase between 1968 and 1969 (2 per cent).

The most marked feature of the year's investment was the very high level of investment in British government securities. There was a turn-round from net disinvestment of £20 million in 1970 to investment of £175 million in 1971, with small disinvestments in medium-dated securities being far outweighed by heavy buying of long-dated and undated securities. For the third year running sales of local authority securities exceeded purchases, with net disinvestment in 1971 amounting to £22 million (over twice as much as in 1970). The improvement in the equity market which became apparent towards the end of 1970 and continued in 1971 led to a high level investment by private pension funds in ordinary shares. At £170 million net investment in ordinary shares was £5 million higher than in 1970, but still slightly below the peak figure for 1968. For the third year running there was a small net investment in preference shares. Net investment in debentures, etc. was little changed between 1970 and 1971 (about £50 million). Total net investment in company securities in 1971, at £219 million, was similar to that in the previous year, but represented only 59 per cent of total net investment in 1971 compared with 63 per cent in 1970. Net investment in land, real property and ground rents, at £45 million was 14 per cent lower than in 1970 and 40 per cent below the peak figure for 1969. However this comparison excludes investment in property unit trusts, which, at £27.6 million in 1971, was the highest since these securities were first shown separately in 1968. Investment in property (both direct and indirect taken together) rose slightly between 1970 and 1971. The substantial build-up of cash and short-term assets in 1970 was run down in 1971.

Holdings of assets

Table 2 shows an analysis of the various types of assets held by private pension funds (excluding co-operative societies) at the end of

TABLE 1. TOTAL NET INVESTMENT BY PRIVATE PENSION FUNDS, 1968 TO 1971†

£ million: *percentage of total in italics*

	Net investment								Assets acquired	Assets realised
	1968		1969		1970		1971		1971	1971
British government and government guaranteed securities:										
Period to maturity:										
Up to 5 years	−37.9	*−12.8*	−26.4	*− 8.7*	− 7.2	*− 2.1*	7.3	*2.0*	231.1	223.9
Over 5 and up to 10 years	− 8.4	*− 2.8*	−11.0	*− 3.6*	−16.1	*− 4.6*	− 7.6	*− 2.1*	105.2	112.8
Over 10 and up to 15 years	− 8.5	*− 2.9*	5.1	*1.7*	46.5	*13.3*	−17.1	*− 4.6*	137.0	154.1
Over 15 years	39.1	*13.2*	46.1	*15.2*	−44.4	*−12.7*	181.0	*49.2*	802.1	621.1
Undated	3.6	*1.2*	− 3.1	*− 1.0*	1.2	*0.3*	11.8	*3.2*	56.3	44.5
Total	−12.1	*− 4.1*	10.8	*3.6*	−20.0	*− 5.7*	175.4	*47.7*	1,331.8	1,156.4
United Kingdom local authority securities:										
Quoted:										
Period to maturity:										
Up to 10 years	3.4	*1.1*	− 0.5	*− 0.2*	− 8.3	*− 2.4*	−17.3	*− 4.7*	12.5	29.8
Over 10 and up to 15 years	4.1	*1.4*	1.9	*0.6*	—	—	− 2.7	*− 0.7*	2.7	5.4
Over 15 years and undated	− 1.8	*− 0.6*	− 0.4	*− 0.1*	− 1.2	*− 0.3*	0.4	*0.1*	5.8	5.5
Unquoted	− 2.3	*− 0.8*	− 2.2	*− 0.7*	0.1	—	− 2.5	*− 0.7*	2.5	5.1
Total	3.5	*1.2*	− 1.2	*− 0.4*	− 9.5	*− 2.7*	−22.1	*− 6.0*	23.6	45.7
Total of public sector securities	− 8.6	*− 2.9*	9.6	*3.2*	−29.5	*− 8.5*	153.2	*41.6*	1,355.4	1,202.2
Company securities:										
Ordinary shares	174.7	*58.8*	92.5	*30.5*	164.6	*47.2*	169.8	*46.1*	595.2	425.4
Preference shares	−11.8	*− 4.0*	3.2	*1.1*	3.8	*1.1*	0.2	*0.1*	5.3	5.1
Debentures, etc.	35.1	*11.8*	90.0	*29.7*	50.4	*14.5*	48.7	*13.2*	242.1	193.4
Total	198.0	*66.6*	185.6	*61.3*	218.9	*62.8*	218.7	*59.4*	842.6	623.8
Other investments:										
Mortgages and loans	− 0.8	*− 0.3*	2.9	*1.0*	2.2	*0.6*	0.4	*0.1*	16.9	16.5
Overseas government, etc., securities	− 0.4	*− 0.1*	− 0.6	*− 0.2*	− 2.7	*− 0.8*	− 3.6	*− 1.0*	8.2	11.8
Property unit trust units	27.2	*9.2*	23.0	*7.6*	17.8	*5.1*	27.6	*7.5*	30.8	3.2
Land, real property and ground rents	65.3	*22.0*	74.2	*24.5*	51.9	*14.9*	44.7	*12.1*	53.8	9.1
Other	0.1	—	1.7	*0.6*	0.9	*0.3*	2.1	*0.6*	2.9	0.8
Total	91.4	*30.8*	101.2	*33.4*	70.1	*20.1*	71.2	*19.3*	112.6	41.4
Total of investments	280.8	*94.5*	296.5	*97.9*	259.5	*74.4*	443.1	120.4	2,310.5	1,867.4
Short-term assets and liabilities:										
Cash in hand and with UK banks	1.7	*0.6*	1.4	*0.5*	21.4	*6.1*	− 4.8	*− 1.3*		
UK local authority bills and temporary money	12.0	*4.0*	13.0	*4.3*	23.1	*6.6*	−17.4	*− 4.7*		
Other short-term assets	16.8	*5.7*	− 1.6	*− 0.5*	35.3	*10.1*	−27.2	*− 7.4*		
Short-term liabilities §	−14.1	*− 4.7*	− 6.3	*− 2.1*	+ 9.5	*2.7*	−25.7	*− 7.0*		
Total	16.4	*5.5*	6.5	*2.1*	89.2	*25.6*	−75.1	*−20.4*		
Total net investment	297.2	*100.0*	303.0	*100.0*	348.7	*100.0*	368.0	*100.0*		

† Including estimates for private self administered pension funds not contributing to the inquiries. The figures exclude funds of co-operative societies which are estimated to be increasing by £9 million annually.

§ An increase is indicated by a minus sign, a decrease by a plus sign.

— = Nil or less than £0.5 million.

TABLE 2. ASSETS HELD BY PRIVATE PENSION FUNDS, 1968 TO 1971†

£ million: *percentage of total in italics*

	1968		1969		1970		1971	
British government and government guaranteed securities	598.0	*12.9*	561.4	*12.6*	552.2	*11.8*	785.1	*12.8*
United Kingdom local authority securities	156.0	*3.4*	150.2	*3.4*	138.9	*3.0*	112.1	*1.8*
Total	753.9	*16.2*	711.6	*15.9*	691.1	*14.8*	897.2	*14.7*
Company securities:								
Ordinary shares	2,697.7	*58.0*	2,443.0	*54.7*	2,467.3	*52.8*	3,561.0	*58.2*
Preference shares	45.4	*1.0*	33.5	*0.7*	28.9	*0.6*	21.9	*0.4*
Debentures, etc.	675.0	*14.5*	688.9	*15.4*	725.7	*15.5*	840.7	*13.7*
Total	3,418.1	*73.5*	3,165.4	*70.8*	3,221.9	*68.9*	4,423.6	*72.3*
Other assets:								
Mortgages and loans	45.8	*1.0*	47.4	*1.1*	46.5	*1.0*	40.1	*0.7*
Overseas government, etc., securities	39.6	*0.9*	38.1	*0.9*	27.0	*0.6*	25.0	*0.4*
Property unit trust units	49.7	*1.1*	74.7	*1.7*	106.6	*2.3*	124.9	*2.0*
Land, real property and ground rents	245.7	*5.3*	321.8	*7.2*	381.6	*8.2*	477.2	*7.8*
Other	5.5	*0.1*	10.7	*0.2*	10.4	*0.2*	15.5	*0.3*
Total	386.3	*8.3*	492.7	*11.0*	572.1	*12.3*	682.7	*11.2*
Cash and other short-term assets net	89.4	*1.9*	98.3	*2.2*	187.6	*4.0*	116.1	*1.9*
Total assets	4,647.7	*100.0*	4,468.1	*100.0*	4,672.7	*100.0*	6,119.7	*100.0*

† At market values. The figures include estimates for private self-administered pension funds not contributing to the annual inquiries, but exclude funds of co-operative societies which, it is estimated, amounted to £163 million in 1970.

1971, with comparable figures back to 1968. The value of holdings of assets at the end of 1971 is estimated to have increased by 31 per cent, from £4,673 million at the end of 1970 to £6,120 at the end of 1971. The high level of investment in government securities in 1971 is reflected in the figure for end-year holdings, which at £785 million was £233 million (42 per cent) higher than the figure for end-1970. This increase was partly off-set by the continuing fall in holdings of United Kingdom local authority securities, and although the overall holdings of public sector securities at the end of 1971 at £897 million were some £206 million higher than at the end of 1970, they represented only the same proportion of total assets. Holdings of company securities at £4,424 million were £1,202 million higher than at the end of 1970, an increase substantially greater than net investment during the year, reflecting the strong rise in ordinary share prices which were 40 per cent higher in December 1971 (according to the Financial Times–Actuaries index) than in December 1970. Company securities represented over 72 per cent of total assets at the end of 1971, a higher proportion than in the previous two years. Net holdings of cash and other short-term assets fell by over a third during 1971 and at £116 million at the end of the year accounted for 1.9 per cent of total assets compared with 4 per cent at the end of 1970.

Notes and definitions

The statistics relate to the self-administered pension and superannuation funds of the private sector, including those of companies and non-profit making bodies. Respondents are asked to make returns covering financial assets of funds whose investment policy is managed from within the United Kingdom, including the funds of any subsidiary companies. Some undertakings operate two or more pension funds; such funds have been treated as single funds in the statistics.

Funds which operate primarily through insurance companies and funds of local authorities, public corporations or central government are not included. All funds with assets of £1 million or more have contributed to the inquiries, although not all of them have been able to give fully detailed statistics. About 1 in 4 of funds with assets of £0.1 million but less than £1 million contribute to the statistics, while funds with assets below £0.1 million are not approached. Estimates have been made of quarterly transactions of, and assets held by, funds not included in the sample or which did not respond.

All the funds were asked if possible to give their marketable securities at December 31 at current market values. Funds representing just under 8 per cent of the total assets reported in the inquiry gave figures on a basis other than market value. Just over two-fifths of funds responding in the inquiry gave figures of assets for a date other than the calendar year (usually the end of March 1972).

Short-term assets are those maturing within one year of originating date including loans payable at lender's option within one year of the date of issue. They include Treasury bills and local authority bills for temporary money. Balances due to stockholders on securities sold for future settlement have been deducted from short-term assets.

Totals in the tables are not always equal to the sum of their components because of rounding.

Retail sales in Northern Ireland

THE index of retail sales in Northern Ireland for May was 136 (1965 = 100), 3 per cent more than in May 1971. After allowing for price changes, the total volume of sales in May 1972 was 2 per cent less than a year earlier.

Index numbers of the value of sales and percentage increases on a year earlier for the main groups of traders in May are shown below. More detailed information can be obtained from the Ministry of Commerce, Index of Retail Sales, Chichester House, 64 Chichester Street, Belfast BT1 4JX (tel: Belfast (0232) 34478, ext 336).

	May 1972	
The value of sales by:	Index number 1965 = 100	Percentage increase
All kinds of business	136	3
Food shops	144	– 3
Non-food shops	131	7
Of which:		
Clothing and footwear shops	125	– 5
Durable goods shops	146	15
Miscellaneous non-food shops	140	14
Department and general stores	92	– 6

UK official reserves during July

HM TREASURY announce that the UK official reserves fell by $883 million during July to stand at $6,082 million at the end of the month.

Most of this fall relates to transactions in earlier months, not July. As foreshadowed in the statement by the Chancellor of the Exchequer to the House of Commons on June 29, $2,607 million was paid to European Central Banks in settlement of the EEC intervention in June, which became due in July. In addition, the US authorities converted into dollars £83 million purchased from the IMF in April. These outgoings were financed from the reserves, from funds swapped forward with overseas monetary authorities ($1,150 million), and (as announced on July 26) by using $634 million of the IMF Reserve Position (RPF). The remaining $126 million of the RPF is now included in the total of official reserves.

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COMPANIES

Acquisitions and mergers in the second quarter

THIS note sets out the latest statistics on company acquisitions and mergers, giving details up to and including the second quarter of 1972. The figures in Tables 1 and 2 are taken from a detailed analysis of company acquisitions published as Business Monitor, M7, Acquisitions and Mergers of Companies (obtainable from HMSO each quarter for an annual subscription of 37½p). The Business Monitor also contains tables analysing acquisitions and mergers by industry.

During the second quarter of 1972 acquisition activity continued at a similar high level to that of the previous six months. There were 326 acquisitions of industrial and commercial companies reported in the financial press involving a consideration of £422 million. This was a substantial increase in terms of numbers over the first quarter's 278, but the consideration was well below the £466 million involved in the earlier period.

The rate of acquisition activity recently has been running at a considerably higher level than in the previous peak year, 1968, although expenditure has been below the level reached in that year.

The increase in activity is dominated by the number of acquisitions of independent companies; in the second quarter expenditure on these acquisitions dropped to £375 million compared with £426 million in the first quarter, while sales of subsidiary companies remained at much the same level.

The proportion of expenditure on acquisitions and mergers in the second quarter accounted for by the issue of ordinary shares continued at the high level experienced in the previous quarter. The issue of fixed interest securities fell while cash payments increased.

The number of acquisitions of foreign companies by United Kingdom companies was 34 in the second quarter, involving an expenditure of nearly £36 million. Five United Kingdom companies were acquired by foreign companies for a total consideration of just over £8 million.

Notes and definitions

This analysis of acquisitions and mergers involving industrial and commercial companies in the United Kingdom is based on reports in the financial press supplemented by special inquiries to companies to determine the form, value and timing of particular acquisitions.

Acquisitions and mergers involving financial companies (insurance, banking, etc.) are not covered in this note, although the Bank of England prepares an analysis of such acquisitions which is published in the *Bank of England Quarterly Bulletin*.

Valuation

The values shown relate in general to expenditure during the current period, excluding any previous investment in the company acquired. Where possible, values are market values, ie the cash paid or the market price at date of issue of shares or loan stock issued. Where market values are not available (as in the case of shares, etc., issued by non-quoted companies) or the cash consideration is not disclosed, acquisitions are in general valued at the net book value of the acquired company.

No method of valuing acquisitions is altogether free from objection and in comparing this series over time one must allow, in addition to the general upward inflation of values, for the considerable short-term fluctuations in share prices which will be reflected in a series where a considerable proportion of expenditure takes the form of share exchanges which are valued at market prices. For example, industrial share prices as measured by the *Financial Times*–actuaries index fell by over a tenth between 1969 and 1970 but rose by 18 per cent between 1970 and 1971.

Classification

Where the acquired company was a subsidiary of another United Kingdom company, it was classified to the category of inter-group sales. Acquisitions between subsidiaries of the same company group, arising from internal reorganisation, have been ignored.

Each acquiring company is alloted to an industry group corresponding generally to an Order of the Standard Industrial Classification, 1968. Industrial holding companies which cannot be reasonably classified to any of the groups distinguished, and companies trading wholly overseas are treated as separate groups. Where a company has substantial overseas interests, it is classified as far as possible on the basis of its predominant activity within the United Kingdom. The choice between classifying a company to its main activity (which may be less than half its total activity) and classifying it as an industrial holding company is sometimes a fairly arbitrary one.

Timing

As far as possible, acquisitions are recorded at the date when the transaction is finalised (eg, when a bid is declared unconditional). This date may be considerably later than the date when a bid is first announced in the press though preceding the date when the shares in the acquired company are surrendered.

TABLE 2. CATEGORIES OF EXPENDITURE ON ACQUISITIONS AND MERGERS WITHIN THE UNITED KINGDOM

	Expenditure (£ million)				Percentages of expenditure		
	Total	Cash	Issues of ordinary shares	Issues of fixed interest securities	Cash	Ordinary shares	Fixed interest securities
1969	1,069	296	552	221	*27.7*	*51.6*	*20.7*
1970	1,122	251	596	275	*22.4*	*53.1*	*24.5*
1971	911	285	437	189	*31.3*	*48.0*	*20.7*
1972 1st quarter	465.7	97.4	289.4	78.9	*20.9*	*62.2*	*16.9*
2nd quarter	421.5	119.3	257.4	44.8	*28.3*	*61.1*	*10.6*

TABLE 1. ACQUISITIONS AND MERGERS WITHIN THE UNITED KINGDOM

	Acquisitions of independent companies			Mergers†			Total (1 and 2)			Sales of subsidiaries between company groups			Total number of acquisitions		
	No. Acquiring	No. Acquired	Value £ million	No. Acquiring	No. Acquired	Value £ million	No. Acquiring	No. Acquired	Value £ million	No. Acquiring	No. Acquired	Value £ million	No. Acquiring	No. Acquired	Value £ million
1969	593	742	961.6	2	2	7.6	595	744	969.2	91	102	99.7	686	846	1,068.9
1970	484	608	954.1	6	6	42.5	490	614	996.6	139	179	125.9	629	793	1,122.5
1971	498	620	745.6	—	—	—	498	620	745.6	189	264	165.5	687	884	911.1
1st quarter	89	110	62.1	—	—	—	89	110	62.1	43	49	27.7	132	159	89.8
2nd quarter	121	148	142.5	—	—	—	121	148	142.5	53	71	44.7	174	219	187.2
3rd quarter	129	156	255.7	—	—	—	129	156	255.7	40	69	31.9	169	225	287.6
4th quarter	159	206	285.3	—	—	—	159	206	285.3	53	75	61.2	212	281	346.5
1972 1st quarter	156	207	426.0	2	2	0.1	158	209	426.1	53	69	39.6	211	278	465.7
2nd quarter	192	260	375.2	3	3	1.5	195	263	376.7	52	63	44.8	247	326	421.5

†A merger is reckoned as the acquisition of the smaller company by the larger company involved in the transaction and valued at the market value of the smaller company's share of the newly formed company.

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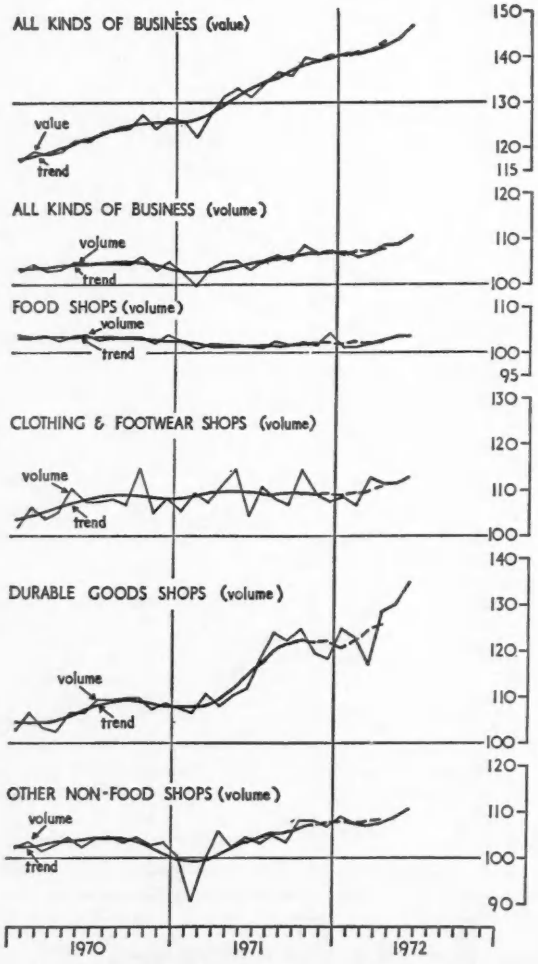
Retail sales in June

THE seasonally adjusted index of the volume of retail sales in June is 110.5 (1966 = 100), well above the figure for May which was itself substantially more than the average level in the first four months of the year. Sales by durable goods shops showed a further sharp increase.

In the second quarter as a whole the volume of total sales was 2½ per cent more than in the first quarter, and over 1½ per cent more than in the fourth quarter of last year. The comparison with the first quarter is affected by the power cuts which depressed sales in February, and there are also some uncertainties of seasonal adjustment due to the position of Easter. However, it is clear that the trend of sales has been strongly upward in recent months.

Sales by durable goods shops in the second quarter were 9 per cent more by volume than in the first quarter, and sales by clothing and footwear shops were up by 2 per cent. Sales by food shops increased by 1½ per cent.

RETAIL SALES
1966=100



All the series in Tables 1 and 2 are seasonally adjusted independently of each other this occasionally results in inconsistencies between totals and components. The components are liable to greater random irregularities than the totals and have a greater margin of uncertainty in their seasonal adjustment. In a similar way differences between the seasonally adjusted series of value (which are affected by price movements, including changes in purchase tax) and volume for the same broad group may be due to inconsistencies in the method of seasonal adjustment and should not be taken as wholly attributable to price changes.

The monthly periods consist of four weeks except those marked * which are of five weeks. The period covered by June 1972 sales was the five weeks from May 28, 1972 to July 1, 1972; the corresponding period in 1971 was from May 30, 1971 to July 3, 1971.

(†) The indices for all shops, food shops and total non-food shops are shown to the first decimal place to help interpretation, but should not be regarded as necessarily accurate to the final digit.

(‡) Including department stores and mail order businesses.

TABLE 1. VOLUME OF RETAIL SALES SEASONALLY ADJUSTED

Index numbers of sales per week (average 1966 prices) 1966=100

	All kinds of business (†)	Food shops (†)	Non-food shops			
			Total (†)	Clothing and footwear shops	Durable goods shops	Other non-food shops (‡)
(Sales in 1966 £ million Provisional estimates)	(11,372)	(4,952)	(6,420)	(1,727)	(1,176)	(3,517)
1967	101.4	101.2	101.5	100	103	102
1968	103.6	102.1	104.8	104	108	104
1969	103.0	103.1	102.9	104	104	102
1970	104.2	103.3	105.0	107	107	103
1971	104.8	101.9	107.1	109	115	103
1970 3rd quarter	104.6	103.1	105.9	107	109	104
4th quarter	104.7	103.1	106.0	109	109	104
1971 1st quarter	102.0	101.8	102.1	107	108	97
2nd quarter	104.4	101.4	107.0	109	110	104
3rd quarter	105.5	101.7	108.7	108	121	104
4th quarter	107.4	102.8	110.7	110	121	108
1972 1st quarter	106.5	101.4	111.1	109	121	108
2nd quarter	109.1	103.1	114.4	112	131	109
1971 October	108.4	102.2	113.0	114	125	108
November	106.8	101.8	110.5	109	120	108
December*	107.1	104.1	109.1	107	118	107
1972 January	107.0	101.1	112.2	108	125	109
February	106.0	101.1	110.6	106	123	108
March*	106.6	101.8	101.6	112	117	107
April	108.1	102.6	113.0	111	128	108
May	108.5	103.2	113.5	112	130	109
June*	110.5	103.4	116.2	113	135	111
1972 Jan.-March	106.5	101.4	111.1	109	121	108
April-June	109.1	103.1	114.4	112	131	109
Percentage increase	2.4	1.7	3.0	2	9	1

TABLE 2. VALUE OF RETAIL SALES SEASONALLY ADJUSTED

Index numbers of value of sales per week (current prices) 1966 = 100

	All kinds of business (†)	Food shops (†)	Non-food shops			
			Total (†)	Clothing and footwear shops	Durable goods shops	Other non-food shops (‡)
(Sales in 1966 £ million Provisional estimates)	(11,372)	(4,952)	(6,420)	(1,727)	(1,176)	(3,517)
1967	103.0	103.0	102.9	102	104	103
1968	109.2	108.0	110.2	107	113	111
1969	114.3	115.3	113.5	112	113	115
1970	122.4	122.2	122.6	121	123	123
1971	133.3	133.0	133.5	132	140	132
1970 3rd quarter	123.9	123.3	124.6	122	127	125
4th quarter	126.2	125.3	127.0	127	128	127
1971 1st quarter	125.7	126.9	124.5	127	130	122
2nd quarter	132.0	131.3	132.8	132	134	132
3rd quarter	135.7	135.1	136.3	132	149	134
4th quarter	139.7	138.7	140.5	136	148	140
1972 1st quarter	140.9	139.3	142.4	138	149	142
2nd quarter	144.6	141.3	147.6	144	161	144
1971 October	139.9	136.8	142.3	141	152	140
November	139.3	137.7	140.3	136	148	140
December*	139.9	141.0	139.2	134	146	140
1972 January	140.8	138.4	143.0	136	154	143
February	140.4	139.1	141.7	134	151	142
March*	141.4	140.1	142.6	143	145	142
April	142.1	139.3	144.5	143	157	141
May	144.0	141.0	146.7	143	160	144
June*	147.2	143.2	150.7	146	166	148
1972 Jan.-March	140.9	139.3	142.4	138	149	142
April-June	144.6	141.3	147.6	144	161	144
Percentage increase	2.6	1.4	3.7	4	8	2

Hire-purchase and other instalment credit business in June

FINANCE houses and retailers advanced £200 million on new instalment credit agreements in June, in seasonally adjusted terms. This brought the total of advances in the second quarter to £585 million, 5 per cent more than in the first quarter. The increase was all in lending by finance houses: lending by retailers was slightly less in the second quarter than in the first.

All three broad groups of retailers recorded higher sales on instalment credit in June than in May. Between the first and second quarters there were increases of 3 and 4 per cent respectively in sales by durable goods shops and department stores, but there was a reduction of 2 per cent in sales by 'other instalment credit retailers' (mainly mail order houses). Instalment credit sales by retailers in total were little changed between the two quarters.

Instalment debt owing to finance houses and retailers increased by £43 million in June and by £103 million in the second quarter as a whole, the largest quarterly increase since the third quarter of last year. £75 million of this increase was in debt owed directly to finance houses. At the end of June the total debt outstanding amounted to £1,798 million (not seasonally adjusted), 28 per cent more than a year earlier.

TABLE 1. HIRE-PURCHASE AND OTHER INSTALMENT CREDIT BUSINESS SEASONALLY ADJUSTED

£ million

	Total		Finance Houses†		Retailers‡	
	New credit extended	Increase in debt	New credit extended	Increase in debt	New credit extended	Increase in debt
1968	1,600	43	769	26	831	17
1969	1,517	−19	701	−21	816	2
1970	1,716	87	822	58	894	29
1971	2,001	244	990	165	1,011	79
1970 1st quarter	403	12	187	6	216	6
2nd quarter	423	26	204	18	219	8
3rd quarter	438	20	211	11	227	9
4th quarter	452	29	220	23	232	6
1971 1st quarter	407	4	211	19	196	−15
2nd quarter	452	33	210	8	242	25
3rd quarter	570	108	289	73	281	35
4th quarter	572	99	280	65	292	34
1972 1st quarter	558	87	267	54	291	33
2nd quarter	585	103	298	75	287	28
1971 October	188	39	88	25	100	14
November	198	33	98	17	100	16
December	186	27	94	23	92	4
1972 January	192	35	89	19	103	16
February	184	15	86	11	98	4
March	182	37	92	24	90	13
April	186	20	90	16	96	4
May	199	40	105	31	94	9
June	200	43	103	28	97	15
1972 Jan.-March	558	87	267	54	291	33
April-June	585	103	298	75	287	28
Percentage increase	5		12		−1	
Debt outstanding at December 31 1971 (unadjusted)	—	1,628	—	1,010	—	618

† Direct business only; ie excluding agreements block discounted with finance houses by retailers.
‡ Durable goods shops, department stores and 'other instalment credit retailers'. For further definitions see footnote to Table 2.

TABLE 2. RETAILERS' INSTALMENT CREDIT SALES SEASONALLY ADJUSTED

Index numbers of value of sales per week (current prices) 1966 = 100

	Total†	Durable goods shops	Department stores	Other instalment credit retailers‡
H.P. and other instalment credit sales in 1966 §				
£ million	(862)	(327)	(46)	(489)
1968	110	108	112	111
1969	109	100	114	114
1970	119	112	123	124
1971	132	139	145	126
1970 1st quarter	114	108	113	118
2nd quarter	118	112	123	122
3rd quarter	122	115	130	126
4th quarter	124	115	128	130
1971 1st quarter	107	121	133	95
2nd quarter	129	119	139	135
3rd quarter	144	160	156	132
4th quarter	148	158	151	141
1972 1st quarter	147	155	161	139
2nd quarter	147	160	168	136
1971 October	153	162	160	146
November	152	157	157	149
December*	140	155	140	131
1972 January	155	160	166	151
February	149	155	158	143
March*	138	151	159	127
April	147	153	162	142
May	144	161	167	131
June*	150	165	173	137
1972 Jan.-March av.	147	155	161	139
April-June av.	147	160	168	136
Percentage increase	—	3	4	−2

† Durable goods shops, department stores and 'other instalment credit retailers'.
‡ General stores (other than department stores), general mail order houses and co-operative societies' non-durable goods departments.
§ Excluding sales against checks issued by other organisations.
The monthly periods for retailers consist of four weeks except those marked * which are of five weeks. The period covered by June 1972 sales was the five weeks from May 28, 1972 to July 1, 1972. The corresponding period in 1971 was from May 30, 1971 to July 3, 1971.

Business Monitor

THE following titles and issues of Business Monitor are now available and copies may be obtained by annual subscription from HMSO, PO Box 569, London, SE1 9NH.

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Motor cycles and pedal cycles for first quarter
Cement for fourth and first quarters
Soap and detergents for fourth and first quarters
Mining machinery for first quarter
Textile machinery and accessories for first quarter
Construction and earth moving equipment for first quarter
Textile finishing for first quarter
Lace for first quarter
Cutlery, spoons, forks, tableware and safety razors for first quarter
Carpets for first quarter
Pottery for first quarter

Service and distributive series

Monthly at £2 each a year post free:
Food shops for June
Clothing and footwear shops for June
Durable goods shops for June
Miscellaneous non-food shops for June

A complete list of titles of Business Monitors is published in this issue of *Trade and Industry* on page 261.

FOOTWEAR INDUSTRY

Orders and deliveries

In the three months ended May 1972 net new orders (seasonally adjusted) received by the footwear industry were 3 per cent less than in the three months ended February 1972; deliveries showed a slight increase over the same period. With deliveries exceeding net new orders, order books at the end of May were 3 per cent lower than at the end of February. Production in the three months fell by 6 per cent.

Interpretation of figures

The figures for orders-in-hand, net new orders and deliveries should be interpreted with caution.

Before 1971, figures for orders-on-hand and net new orders were available by total pairage only and no allowance is made in the pairage series below for the differing value of the various types of footwear. From January 1971, however, the value of total orders-on-hand is also being collected and this series together with derived net new orders will be included in a future edition of this note. Further, from 1971, a breakdown of deliveries by type of footwear in pairage and value terms is being collected quarterly and the results are published in the Business Monitor Production Series (Reference P 17).

A short note on the construction of the index of production was given in *Trade and Industry* dated June 23, 1971 (page 637).

Representatives of Dunlop Footwear's distributors in the Benelux countries paid a recent visit to the company's Walton factory to discuss the ranges they will be carrying for the spring and summer of 1973. From left to right are Mr. Alan Gee (export sales manager, Dunlop Footwear), Mnr. G. Merhottein, Mr. W. E. Hughes (assistant export manager), and Mnr. H. Merhottein. Merhotteins have been distributors for Dunlop Footwear since 1946.

INDEX OF PRODUCTION OF FOOTWEAR, ORDERS-ON-HAND, NET NEW ORDERS AND DELIVERIES

Monthly averages or months — Million pairs

	Index of Production (*1963 = 100*)		Orders-on-hand (end of period)		Net new orders		Deliveries	
	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted	Actual	Seasonally adjusted
1964	107		35.8				16.8	
1965	104		39.9		16.8		16.5	
1966	101		33.9		15.7		16.2	
1967	94		37.9		16.2		15.9	
1968	99		41.2		17.0		16.8	
1969	95		35.2		15.7		16.2	
1970	88		40.1		16.3		15.9	
1971	94 r		33.9		15.0		15.5	
1970 1st quarter	95	89	40.1	36.2	17.4	15.7	15.8	15.4
2nd quarter	89	87	47.9	38.2	17.5	16.7	14.9	16.1
3rd quarter	79	88	35.3	41.9	12.0	17.2	16.2	16.0
4th quarter	89	88	40.1	40.1	18.2	16.0	16.6	16.1
1971 1st quarter	96	87 r	40.9	36.9	16.4	14.8	16.2	15.9
2nd quarter	87	93	43.2	34.1	15.7	15.0	14.9	16.0
3rd quarter	98	101	32.7	36.9	12.2	16.5	15.7	15.5
4th quarter	93 r	93 r	33.9	33.9	15.7	13.8	15.3	14.7
1972 1st quarter	87 p	80 p	37.4	33.8	16.3	14.8	15.2	14.9
1970 April	96	87	46.5	37.1	22.5	18.4	16.1	17.5
May	81	82	49.7	37.8	16.7	15.1	13.5	14.3
June	89	91	47.9	38.2	13.3	16.7	15.1	16.3
July	75	89	43.0	41.6	10.2	19.5	15.1	16.1
August	71	90	40.7	44.1	12.4	18.6	14.7	16.2
September	91	84	35.3	41.9	13.4	13.5	18.8	15.8
October	100	89	35.4	41.5	19.3	16.2	19.2	16.6
November	94	86	39.6	42.2	21.8	16.6	17.6	15.8
December	73	88	40.1	40.1	13.6	15.2	13.1	16.0
1971 January	92	93	40.9	42.8	16.2	19.8	15.4	17.0
February	96	83	43.0	42.1	18.5	14.3	16.4	15.0
March	100	85	40.9	36.9	14.6	10.3	16.7	15.5
April	87	95	42.3	35.1	16.6	14.0	15.2	15.9
May	89	93	48.7	37.9	21.7	19.5	15.3	16.7
June	86	90	43.2	34.1	8.7	11.5	14.2	15.3
July	93	101	41.1	40.0	12.3	21.3	14.4	15.4
August	89	105	37.2	38.6	10.3	14.2	14.2	15.6
September	113	97	32.7	36.9	13.9	13.8	18.4	15.5
October	112 r	101 r	32.0	35.6	17.6	14.3	18.3	15.6
November	94 r	89 r	33.9	34.5	17.8	13.3	15.9	14.4
December	74 r	90 r	33.9	33.9	11.7	13.7	11.7	14.2
1972 January	81 p	83 p	33.3	35.2	13.5	16.9	14.1	15.6
February	88 p	77 p	35.1	34.8	17.3	13.8	15.5	14.2
March	91 p	81 p	37.4	33.8	18.2	13.8	15.9	14.8
April	78 p	78 p	40.7	33.4	17.9	14.8	14.6	15.2
May	73 p	77 p	43.4	33.6	15.7	14.4	13.0	14.2

The actual figures for orders, deliveries and Index of Production have been adjusted for the length of the working months but not for holidays or any other seasonal variations.

FOOD

National Food Survey: household food consumption in the first quarter of 1972

THE main results of the National Food Survey in the first quarter of 1972 are summarised in the accompanying table. The estimates, which were derived from records provided by a sample of 2,090 households throughout Great Britain, are not directly comparable with those shown for previous periods because of improvements introduced into the Survey in 1972. These included a revised method of enumerating the number of persons in the household when some are absent from home for part of the period of the survey; the definition is in any case somewhat arbitrary, and formerly it was made solely on the basis of the number and type of meals eaten at home during the week, but now the number of nights of residence in the home is also taken into account. As a result of these changes the averages of expenditure and consumption per person per week for the first quarter of 1972 are approximately 1½ per cent lower than they otherwise would have been. The results printed in Table 1 reflect this discontinuity in series, but in the notes which follow all comparisons with previous periods are made after allowing for the effects of the change in technique.

Average expenditure on food (excluding sweets and soft drinks) bought for consumption in the home was £2.33 per person per week in the first quarter of 1972, which, after making allowance for the change in Survey procedure, is the same as the value recorded in the previous quarter but 18p (8 per cent) greater than in the first quarter of 1971. Food consumption in the quarter was affected by the power cuts and, compared with the same period of the previous year, there was some decrease in the level of food purchases per head, particularly in the case of seasonal foods, partially offset by increased purchases of quick-frozen foods.

Average consumption of liquid milk (inclusive of school milk) was slightly lower than in the previous quarter but continued to account for over 10 per cent of household food expenditure. Purchases of cheese resumed their upward trend but the continuing shortage of butter supplies was reflected in a further fall in average consumption, which declined to 4.5 oz. per person per week, partly offset by an increase of nearly 6 per cent in purchases of margarine to a new high level of 3.9 oz., of which 2.2 oz. was reported to be soft margarine. The average price paid by housewives for eggs was lower (22.6p per dozen compared with 23.9p in the previous quarter and 24.6p a year earlier) but consumption at 4.5 eggs per person per

(*continued on next page*)

TABLE 1. ESTIMATES OF AVERAGE HOUSEHOLD FOOD CONSUMPTION

oz. per person per week (a)

	Year 1970	Year 1971	1st quarter 1971	4th quarter 1971	1st quarter 1972(b)
	£	£	£	£	£
Total Household Food Expenditure	2.11	2.31	2.19	2.37	2.33
Liquid milk (pints)	4.63	4.74	4.87	4.74	4.56
Other milk (eq. pints)	0.41	0.38	0.37	0.38	0.40
Cheese	3.59	3.63	3.49	3.55	3.62
Butter	5.99	5.53	6.13	5.03	4.48
Margarine	2.86	3.15	2.74	3.73	3.90
Lard and compound cooking fats	2.21	1.98	2.12	2.14	2.03
Eggs: purchases (number)	4.44	4.37	4.48	4.35	4.29
consumption (number)	4.66	4.55	4.65	4.50	4.50
Preserves	2.57	2.71	2.99	2.76	2.84
Sugar	16.94	15.80	16.32	15.81	15.56
Beef and veal	7.80	7.96	8.89	8.18	7.59
Mutton and lamb	5.25	5.41	5.30	5.30	4.87
Pork	2.83	3.04	3.30	3.14	3.21
Bacon and ham, uncooked	5.32	5.12	5.24	5.11	4.96
Bacon and ham, cooked (including canned)	0.94	0.92	0.79	0.90	0.75
Poultry and cooked chicken	5.06	4.92	4.29	5.11	5.83
Other cooked meat (not canned)	0.67	0.68	0.62	0.57	0.61
Other canned meat	2.69	2.24	2.33	2.24	2.21
Offals	1.32	1.29	1.48	1.32	1.33
Sausages, uncooked	3.74	3.69	3.65	3.86	3.68
Other meat products:					
meat pies and sausage rolls (ready-to-eat)	0.77	0.71	0.62	0.68	0.71
all others (not quick-frozen)	2.33	2.20	2.38	2.18	2.38
Fish, fresh and processed	3.67	3.61	3.84	3.69	3.35
Canned fish	0.69	0.63	0.53	0.58	0.59
Fish and fish products, quick-frozen	0.99	0.91	0.87	0.93	1.04
Fresh green vegetables	13.12	13.39	11.72	12.65	11.21
Tomatoes fresh	4.00	3.99	2.17	3.36	1.95
Other fresh vegetables	9.95	10.57	11.68	12.50	11.17
Quick-frozen vegetables	1.74	1.85	1.79	1.91	2.05
Canned tomatoes	0.82	0.85	0.84	0.81	1.12
Canned peas	3.20	2.84	2.86	2.78	2.90
Canned beans	3.86	3.60	3.67	3.69	3.71
Potatoes (excluding processed):					
purchases	48.24	45.65	51.12	48.37	47.98
consumption	51.84	49.18	53.88	52.30	51.26
Citrus fruit	5.01	5.59	7.58	4.18	6.04
Bananas	2.99	3.12	3.12	2.71	2.57
Apples	7.32	7.80	8.36	8.72	7.26
All other fresh fruit	3.82	3.56	1.36	2.95	1.66
Canned fruit	4.61	4.48	4.15	4.31	4.01
Dried fruit, nuts and fruit and nut products	1.17	1.28	0.99	2.30	0.96
Flour	5.68	5.86	6.81	6.30	5.51
White bread	32.23	29.87	29.29	29.35	29.09
Brown, wholewheat and wholemeal bread	2.92	3.07	3.09	3.02	2.93
Other bread	2.96	2.82	2.85	2.72	2.72
Buns, scones and teacakes	1.21	1.42	1.62	1.47	1.65
Cakes and pastries	4.47	4.04	4.13	3.95	3.55
Chocolate biscuits	0.98	1.00	0.97	1.08	1.01
Other biscuits	4.78	4.80	4.74	4.65	4.28
Breakfast cereals	2.74	2.68	2.51	2.60	2.49
Oatmeal and oat products	0.50	0.53	0.71	0.69	0.86
Canned milk puddings	1.69	1.68	1.72	1.67	1.57
Tea	2.59	2.39	2.52	2.36	2.26
Instant coffee	0.42	0.44	0.45	0.49	0.46
Canned soups	3.54	3.09	3.73	3.59	3.72
Pickles and sauces	1.55	1.51	1.37	1.68	1.50

Source: Ministry of Agriculture, Fisheries and Food

(a) Except where otherwise stated.

(b) Figures for this quarter are not directly comparable with those for previous periods—see first paragraph of text.

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HOUSEHOLD FOOD CONSUMPTION

continued

week was nevertheless slightly lower than a year before. Purchases of sugar showed no significant change compared with the previous quarter but were below the level of a year earlier.

With reduced supplies of carcase meat available, household purchases fell to 15.7 oz. per person per week, the decrease being more pronounced for beef than for lamb or pork. Purchases of bacon were rather lower at 5.0 oz. per person per week and there was a slight decline in purchases of canned meats and cooked meats. These decreases were, however, largely offset by an increase in purchases of poultry to a new high level of 5.8 oz.; and there was also a small increase in consumption of sausages and other meat products. Reduced supplies of white fish resulted in a decrease in purchases compared with a year earlier but purchases of quick-frozen fish and fish products increased slightly.

Consumption of potatoes was a little lower than in the first quarter of 1971 although average prices were virtually the same. Consumption of greens and other fresh vegetables was also a little lower than a year previously but purchases of canned and quick-frozen vegetables were a little higher. Consumption of apples and the principal imported fresh fruits (oranges, other citrus fruit and bananas—supplies of which were relatively short) were appreciably lower than a year previously; purchases of canned and dried fruits were lower but there was some increase in the consumption of fruit juices.

After allowing for the change in Survey procedure in the first quarter of 1972, average purchases of bread were exactly the same as those recorded a year previously. The consumption of buns, scones, teacakes and chocolate biscuits increased but that of other biscuits and cakes and pastries showed some decline. The trend towards a lower consumption of tea continued: the trend for instant coffee continued to show a very slight increase.

The metric change

Going Metric is the quarterly bulletin of the Metrication Board. As the metric change is taking place around us *Going Metric* provides information of what is happening in Government, in industry, in education. *Going Metric* is free from the Information Office, J Metrication Board, 22 Kingsway, London WC2B 6LE.

MOTOR INDUSTRY

Car and commercial vehicle production in July—estimated figures

ON the basis of the production of the major manufacturers of cars and commercial vehicles, estimated total production in the four weeks to July 29 (which included part of the holiday period) was:

	Total	Average weekly rate
Cars	102,000	25,500
Commercial vehicles	21,800	5,450

British Film Fund Agency returns

THE British Film Fund Agency has published the following information for the four weeks ended June 24, 1972.

	£	£
Distributors' earnings submitted		
High cost films	724,577	
Low cost films:		
Eligible (after multiplying by 2½)	40,695	
Not eligible for 2½ times rental	12,796	
		778,068
Films of less than 3,000 ft. (after multiplying by 2½)		22,269
		800,337
Levy collections paid to Agency by HM Customs and Excise to July 3, 1972, including an estimate of collections approximately covering entertainments for four weeks ended June 24, 1972.		340,500

The eighth interim allocation for the fifteenth distribution period will be at the rate of 44 per cent.

Registrations of British and foreign films

The following are details of films registered by the Department of Trade and Industry under the Films Acts 1960 to 1970 during the week ended Friday, August 4, 1972. BR/E indicates that the film is a British quota film.

Title of film	Registered No.	Playing time minutes	Date of registration	Registered in the name of	Maker's name
			BRITISH		
Asylum	BR/E 36328/6/8/77	88	July 31	Paramount Pictures (UK) Ltd.	Amicus Production Ltd.
Baffled	BR/E 36340/6/8/77	90	August 2	Scotia-Barber Distributors Ltd.	Transcontinental Film Productions (London) Ltd.
Hot Stuff	BR/E 36341/6/8/77	9	August 3	Connoisseur Films Ltd.	National Film Board of Canada
Movietone News 2252	BR/E 36203/6/8/77	8	August 4	Twentieth Century-Fox Film Co. Ltd.	British Movietonews Ltd.
Movietone News 2252A	BR/E 36204/6/8/77	7	August 4	Twentieth Century-Fox Film Co. Ltd.	British Movietonews Ltd.
			FOREIGN		
Cosi Fan Tutte	F 36329	159	July 31	Eagle Films Ltd.	Unitel Productions GmbH, Munich
Flower Lovers	F 36330	10	July 31	Connoisseur Films Ltd.	Yugoslavia Film, Belgrade
1880	F 36331	13	July 31	Connoisseur Films Ltd.	Films de la Pleiade, Paris
Asterix Le Gaulois (Asterix the Gaul)	F 36332	65	July 31	Connoisseur Films Ltd.	Productions Dargaud Films, Beuilly-sur-Seine
Star Spangled Banner	F 36333	5	July 31	Connoisseur Films Ltd.	Roger Flint
The Line No. 1 (La Linea No. 1)	F 36334	5	July 31	Connoisseur Films Ltd.	Frame S.R.L. and S.A.C.I.S., Rome
The Line No. 3 (La Linea No. 3)	F 36335	5	July 31	Connoisseur Films Ltd.	Frame S.R.L. and S.A.C.I.S., Rome
The Line No. 4 (La Linea No. 4)	F 36336	5	July 31	Connoisseur Films Ltd.	Frame S.R.L. and S.A.C.I.S., Rome
The Line No. 5 (La Linea No. 5)	F 36337	5	July 31	Connoisseur Films Ltd.	Frame S.R.L. and S.A.C.I.S., Rome
The Line No. 6 (La Linea No. 6)	F 36338	5	July 31	Connoisseur Films Ltd.	Frame S.R.L. and S.A.C.I.S., Rome
The Harder They Come	F 36339	110	August 2	Bournes Productions Ltd.	International Films Ltd., Kingston
The Garden of the Finzi Contini's	F 36342	94	August 3	The Walter Reade Organization (UK) Ltd.	Micar Film Productions, Vaduz

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Index to statistics and organisational information published regularly in TRADE and INDUSTRY

A = annually M = monthly Q = quarterly 6M = every six months.

Dates before October 21, 1970, refer to articles in the *Board of Trade Journal*.

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civil aviation balance of payments (A)	March 16 1972
trade by air (6M)	April 6 1972
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trends in invisible transactions (Q)	June 22 1972
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Capital expenditure:	
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orders and deliveries (M)	Aug 3 1972
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Dept. of Trade and Industry organisation, etc.

Subjects	Last published
British commercial representation overseas	July 6 1972
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Customs notices of interest to exporters	June 15 1972
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Guide to DTI	July 6 1972
Index July-Sept. 1971	Aug 3 1972
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Programme of trade promotions	July 20 1972
Release dates of economic statistics	July 27 1972

MISCELLANEOUS ADVERTISEMENTS

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GOVERNMENT SALES

MINISTRY OF DEFENCE

August 16, 1972 Miscellaneous Stores

Location: The Leeds Playhouse, Calverley Street, Leeds, Yorks.

Auctioneers: Bartle & Son (Dept. L), 52 Merrion Street, Leeds LS2 8JH. (Tel: 0532 20898)

Fork lift trucks; lathes; planing, milling and grinding machines; presses; electric hoist; gravity roller conveyor; pallet transporter; degreasing plants; saws; portable crane; fire fighting equipment; cable; tyres; electrical and wireless equipment; vehicle spares; tools kits and hand tools; household and kitchen equipment; ironmongery; electric fires; lead acid batteries; tape recorders; 16 mm sound projectors; trolley jacks; charging sets; pneumatic equipment; binoculars, etc.; and a large assortment of surplus miscellaneous stores including, carpets; rugs; blankets; sheets; haversacks; greatcoats; battledress; denims; raincoats; boots; shoes; chairs; tables; wardrobes; chests of drawers; desks; beds; three piece suites, etc.

August 24, 1972 Miscellaneous Stores

Location: Golden Lion Hotel, Stirling

Auctioneers: Dixon & Wallace Ltd. (Dept. L), Bank Buildings, Graham Square, Glasgow G31 1AW. (Tel: 041-554 2447)

500 gall. trailer pumps; induction motors (3 phase); transformers; control panels; DC motors; alternators; rotary convertors; portable welding set; portable air compressors; MT spares; 7KW 200 amp welding generators; fork lift trucks; metal and wooden containers; entrenching tools; wooden pallets; electric hoist (1 ton); 900 gal power washing machine; blacksmiths hearth; surplus clothing; textiles; kitchenware; household furniture, etc.

August 30, 1972 Miscellaneous Stores

Location: Central Ordnance Depot, Bicester, Oxon.

Auctioneers: Midland Marts Ltd. (Dept. L), Market Square, Bicester, Oxon OX6 7AL. (Tel: 08692 2073)

Clothing and textiles; greatcoats; battledress blouses and trousers; No. 2 dress trousers; kapok coats; raincoats; vests; drawers; ankle boots; mosquito nets; blankets; hessian; rags, etc.; Furniture: chairs; tables; dressing chests; sideboards; wardrobes; lockers; kitchen equipment; Vehicles and Machines: Land Rover; Commer 3 ton trucks; Morris J2 Minibus; Hillman Husky; Ford Zephyr saloon; Bedford ambulance; 10 ton trailers; pallet transporters; fork lift truck; industrial trucks; pedestal drilling machines; crankshaft grinders; lathes; grinding and lapping machine; bench drilling machine; milling machines; forming machine; box nailing machines; bench shearing machines; portable electric hammers; drills and grinding machines, etc.; Electrical Equipment: transformers; condensers; switches; chokes; cable; oscilloscopes; compressors; generators; 16 mm sound projectors; film screens; slide projectors; cameras; tape recorders; wrist watches; binoculars; compasses; miscellaneous vehicle spares; tyres; spanners; cross cut saws; grinding wheels; steel wire rope; wooden boxes; fire bricks; coal; coke and a large quantity of miscellaneous items.

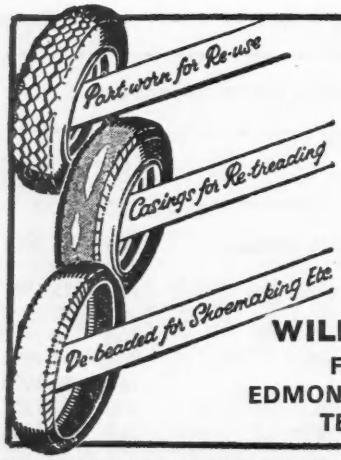
September 6/7, 1972 Miscellaneous Vehicles and Plant

Location: Ordnance Storage and Disposal Depot, Ruddington, Notts.

Auctioneers: Walker, Walton & Hanson (Dept. L), Byard Lane, Bridlesmith Gate, Nottingham NG1 2GL. (Tel: 0602 54272)

Saloon cars; estates; limousines; road making plant; heavy duty trucks; light vans; cranes; tippers; dumpers; refuellers; coaches; ambulances; breakdown and dropside trucks; fork lift trucks; tractors; graders; motor cycles, etc.

Catalogues of the above sales obtainable from relevant auctioneers about two weeks prior to and up to date of sale, price 10p (postal order only).



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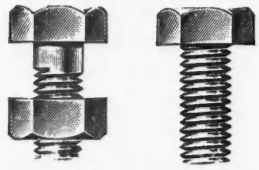

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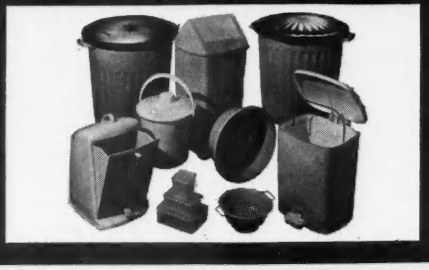

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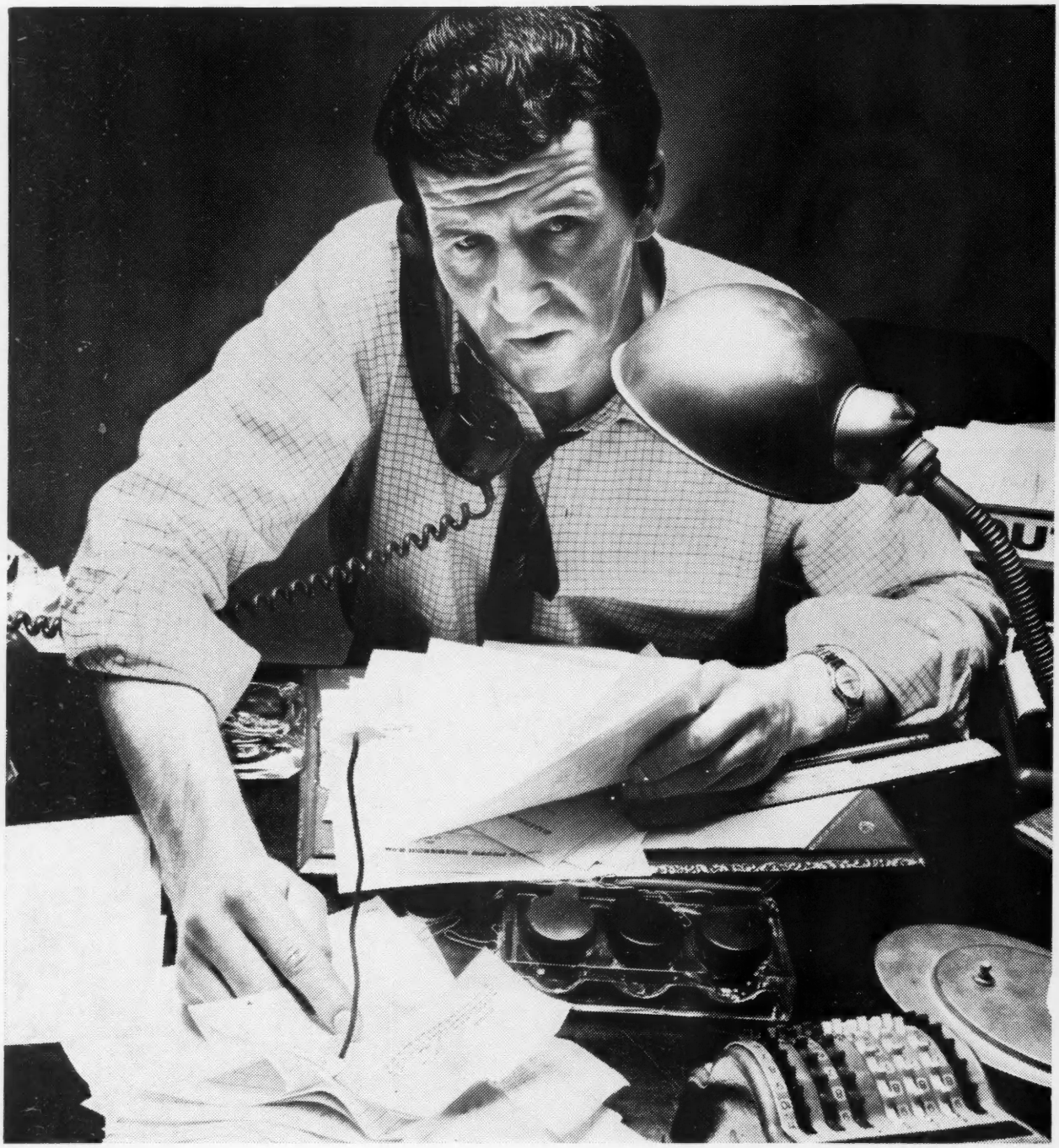

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